

# **CITY OF DURHAM, NORTH CAROLINA**

## **MEMORANDUM**

May 15, 2006

TO: Patrick W. Baker, City Manager

THROUGH: Wanda Page, Assistant City Manager

FROM: Julie Brenman, Budget & Management Services Director  
Ken Pennoyer, Finance Director

RE: **FY 2005-06 Third Quarter Financial Report**

### **Executive Summary**

We are pleased to present the Third Quarter Financial Report for FY 2005-06. In examining financial information from the third quarter we project that the general fund will end the year within budget. We must emphasize this report is based on nine months of financial information and the schedules in this report are subject to change as the year progresses.

### **Attached Exhibits**

A number of charts and tables are attached to this document to provide the Council with additional information on our financial status in key areas. Below, we provide an overview of the attachments.

#### **Exhibit 1: Major Initiatives**

This provides a summary of the activity and status of each Major Initiative.

#### **Exhibit 2: General Fund Budget-to-Actuals Summary and By Department**

This provides a summary of budgeted general fund dollars in each department and the actual spending in those departments during the third quarter. Based on preliminary third quarter expenditures and revenue, we project the General fund will end the year with a \$1,345,000 (.7%) surplus.

We currently project that all departments will end the year within budget. Overall, we are estimating that we will spend \$1.8 million less than budgeted. Based on activity through the third quarter, we are projecting our revenue to come in \$672,000 less than budget. We will be monitoring expenditures to ensure we end the year balanced. We must emphasize that these figures are subject to change as the year progresses.

#### **Exhibit 3: Enterprise Fund Budget-to-Actuals**

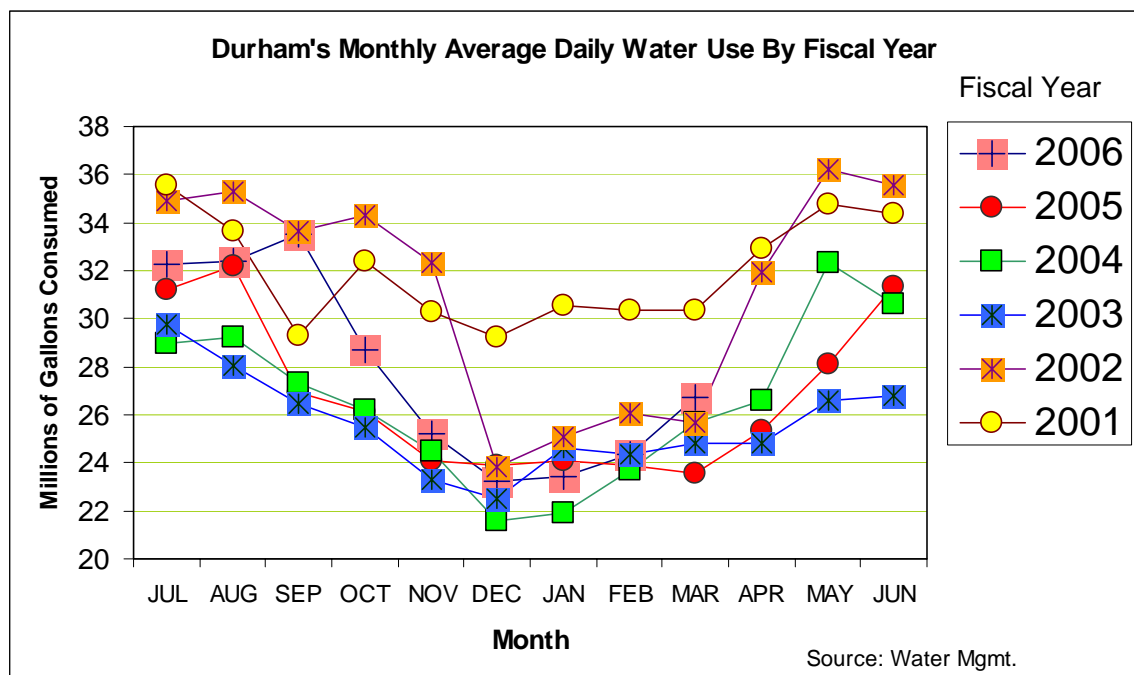
This provides a summary of budgeted revenues and expenditures in each enterprise fund. We have summarized below the outcome for each major fund.

### Water & Sewer Operating Fund

Third quarter results continue to show a return to a stable water use pattern and a stable financial condition of the Water and Sewer Fund. The past two fiscal years have finished with a strong positive financial position and the third quarter of FY 2006 continues that pattern. Should the City continue to avoid a prolonged drought with severe water restrictions, the third quarter FY 2006 financial projection would indicate that the Water and Sewer Fund will again meet budget expectations and should finish with a moderate surplus.

Results continue to support that rate actions over the past three years, and the more stable water use pattern, have produced the desired impact on compliance with revenue bond covenants. The Water and Sewer Fund is a self-sufficient enterprise fund deriving all revenues from charges to customers and receives no tax support.

As evidenced by the FY 2006-2011 Capital Improvement Program Budget, both water and wastewater capital needs in the near future are substantial. While the bond referendum provided \$20 million toward these needs, the ability to maintain a healthy current revenue stream for the long term is mandatory if revenue bonds are to be utilized as a CIP funding source. The current rate model shows moderate rate increases will be needed for future debt service related to CIP funding. If consistently applied, these increases can be kept well below the increases of FY04 and FY05. The on-going attempt to find new large or bulk water customers while the City still has adequate capacity is also a strategy that will help keep future rate increases low.



### Storm Water Management Fund

The Storm Water Management Fund provides for the management and maintenance operational expenses of storm water activities which include street cleaning. A transfer is also made from the operating fund to storm water capital improvement program project funds for private property and watershed planning and design projects. The Storm Water fund is a self-sufficient enterprise fund and receives no tax support.

Third quarter data shows fund revenues are within budget targets. Expenditures for personal services are less than budget expectations due to job vacancies in street cleaning. Expenses will tend to level out as the year progresses with the hiring for these job vacancies.

### Parking Facilities Fund

Timing of reporting and revenue recognition for this fund makes a detailed analysis difficult. However, third quarter data shows revenues slightly ahead of budget expectations and operating expenses over budget expectations.

The parking function was outsourced during the last quarter of fiscal 2003. The Parking Fund is budgeted to generate about 65% of its \$2 million budget, inclusive of debt service on the parking garages, from parking charges and receives a General Fund subsidy for the remainder.

As previously noted, the parking contract contains a price break point of \$1,090,000 in Garages and Lot 8 revenues. When this break point is achieved the payment to the vendor decreases from 72.73% of these revenues to only 20% of revenues. Achievement of the price break point is the key factor to a successful year in this fund. This price break point was achieved in FY04 and FY05.

The parking contract also includes fixed fees as well as an 8% of revenues payment to the vendor for on-street parking services. Although these services are included in the contract and in parking operations, they are accounted for separately in the General Fund and are thus not part of the Parking Fund projections.

### Solid Waste Disposal Fund

Third quarter results indicate that the Solid Waste Disposal Fund is operating within budget expectations. Operating expenses related to the landfill vendor will probably finish over budget expectations and will require additional resources to be budgeted in FY07.

This fund provides for solid waste disposal related activities, the rubble landfill operations, post-closure monitoring of the closed landfill and related debt service. Solid Waste collections, yard waste, bulky item pickup, the Impact Team and recycling efforts are all funded through the General Fund.

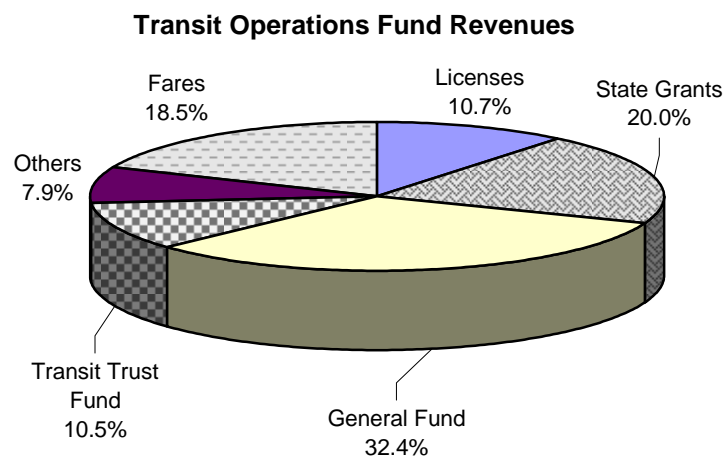
The Solid Waste Disposal Fund generates about 75% of fund needs through charges and other non-tax revenues.

### Ballpark Fund

The Ballpark Fund currently relies on the General Fund for 74% of the budgeted funding. Third quarter results show revenues slightly ahead of the prior year level and expenditures within budget expectations. The seasonal activity of the Ballpark, and timing of payments from vendors, makes more detailed projections difficult.

### Transit Operations Fund

Third quarter data shows the Transit Operations Fund to be operating within budget expectations. As was the case last fiscal year, realization of the state grant revenue estimate of \$2.4 million will be a significant factor. Grant revenues are realized later in the fiscal year.



The Transit Operations Fund receives a significant amount of support from other fund transfers. Specifically, the General Fund and Transit Trust Fund account for 43% of budgeted fund revenues in FY06. State grants are the other large funding source for the Transit Operations Fund. With the fee increases approved for FY04, charges to system riders return about 19% of the cost of operations. The Transit Operations Fund is not inclusive of federal transit grants, about \$3.4 million for FY06, which are also used to support the DATA transit system personnel and maintenance costs.

### Water and Sewer Capital Facility Fee Fund

Capital Facility Fees are derived from charges to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity, and wastewater treatment capacity. These fees are currently transferred to the Water and Sewer Operating Fund where they are expended on debt service associated with providing for capital facilities; the purpose for which these fee are collected.

Defined as non-operating revenues, Capital Facility Fees do not count as current revenues in the computation of revenue bond covenant debt service coverage. Thus, any increase in these fees, as was implemented for the 2005 fiscal year, will provide for current and

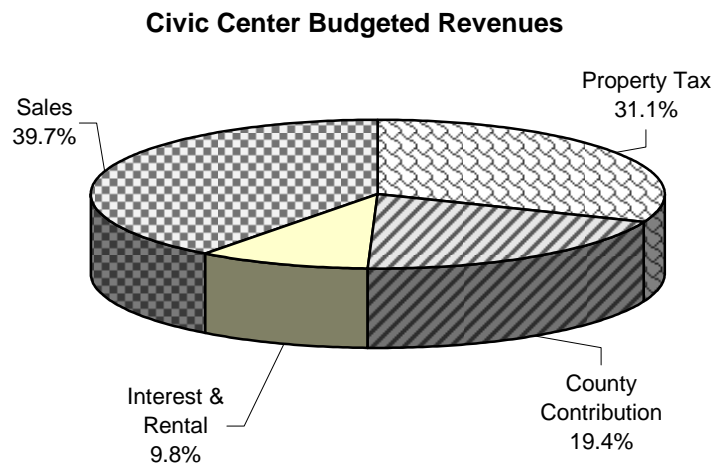
future debt service needs, but not reduce any need for consumption and service charge fee increases related to revenue bond debt covenants.

While the timing of the collections of these fees can be somewhat sporadic, third quarter results reflects fund revenues slightly exceeding budget expectations for this point.

#### Civic Center Fund

Accounting for the Civic Center budget for FY06 has changed as a result of the new operating agreement and now is reflective of all revenues and expenditures. Durham County pays half of the operating deficit as well as a fixed debt service contribution.

Civic Center budgeted revenues are now derived from the following sources:



Timing of revenue and expense recognition may not be indicative of the remainder of the fiscal year. The fund appears to be operating within budget expectations although revenues are projected to finish below the budget projection which would result in an operating deficit.

#### **Exhibit 4: Capital Projects**

This provides a summary of spending in each of our major capital projects, including a brief narrative status report on each project.

#### **Exhibit 5: Grants**

This provides a summary of spending in each of our major grant funded programs.

#### **Exhibit 6: Investments**

This provides a summary of the allocation of our investment portfolio as well as the investment earnings during the fiscal year.

**Exhibit 7: Risk**

This provides a report of claims payments made to liability claimants in accordance with Council resolution #8810.

**Exhibit 8: Contracts**

This provides a summary of the number and type of contracts that were authorized during FY'06.

**Exhibit 9: Status of Audits of Non-City Agencies**

Audit Services monitors' non-city agencies for compliance with audit or sworn statement requirements. This table is provided quarterly to give the City Council a status report on the number of agencies that have submitted audits or sworn statements.

**Exhibit 10: Impact Fees**

This table shows the amount of impact fee funds available for streets, open space and parks, by zone. Project obligation by current ordinance is shown. Revenues shown are actual collected through this quarter

**Exhibit 11: Tax Collections**

This provides tax levy analysis and shows the year-to-date tax collection percentage.

**Exhibit 12: Downtown Revitalization Fund Expenses**

This provides detail of expenses out of the Downtown Revitalization Fund.

**Exhibit 13: Ice Storm Audit**

This provides narrative on the December 2002 Ice Storm.

**Exhibit 14: Planned Debt Issuance**

This report summarizes the planned debt issuance for 2006 including the two-thirds GO bonds issue and the 1996 authority GO bond issue.

**Exhibit 15: Audit Services Status Report**

This report shows the status on audit findings and recommendations. The City Management has actively addressed audit findings and recommendations as well as the underlying causes of findings. Practical approaches to responding to audit findings and recommendations that are both effective and efficient have been examined. These efforts have been coordinated with several initiatives of the city including the city's ERP (Enterprise Resource Planning) project and Fleet Consulting Project.

**Exhibit 16: Calvary Ministries Fundraising Report**

This report summarizes the fundraising activities of Calvary Ministries to support Community Life and Recreation Center at Lyon Park.

**Exhibit 17: Donations Report**

This report lists amounts donated to the City of Durham from various sources.

**Exhibit 18: Assessment Collection Report**

This report lists the status of the delinquent assessment accounts.

**Future Reports**

The Finance and Budget Departments have established the following schedule for FY 2005-06. It is our intention to follow this schedule in order to provide timely information on the financial status of the City.

Quarter	End of Quarter	Tables Prepared	Report
			Completed
1 <sup>st</sup> Quarter	Sept. 30	Oct. 30	Nov. 15
2 <sup>nd</sup> Quarter	Dec. 31	Jan. 30	Feb. 15
3 <sup>rd</sup> Quarter	Mar. 31	Apr. 30	May 15
4 <sup>th</sup> Quarter	Jun. 30	Aug. 30	Sept. 15

**CITY OF DURHAM CITY COUNCIL PRIORITIES  
FY 2005-06 CITYWIDE MAJOR INITIATIVES**

***Goal: All Durham citizens are safe.***

**Strategies**

- Support after-school programs and other programs for youth.
- Support gang prevention strategies.
- Support initiatives to apply the “broken window” strategy of crime prevention.
- Support strategies to employ rapid emergency response.

<b>Measure (Reporting Department)</b>	<b>Actual FY 2003-04</b>	<b>Adopted FY 2004-05</b>	<b>Actual FY 2004-05</b>	<b>Goal<sup>1</sup> FY 2005-06</b>	<b>1st Quarter</b>	<b>2nd Quarter</b>	<b>3rd Quarter</b>	<b>4<sup>th</sup> Quarter</b>	<b>Year to Date</b>
Violent Crime Clearance Rate (Police)	42%	41%	49%	41.6%	51%	49%	43%		47%
# and % Reduction in violent crime (Police) <sup>2</sup>	1,600 —	1,520 -5%	1,424 -11%	1,414 -7%	425 +5.5%	370 +7.9%	389 +34%		16%
Fires contained to room of origin (Fire)	85%	80%	56%	45%	58.0%	75.7%	53%		62%

<sup>1</sup> % changes in Goal based on prior year Adopted, not Projected or Actual. This is because the Goals are developed before the Actual data is available.

<sup>2</sup> A positive percentage means the number of violent crimes has *increased*. Rates determined by comparing the same quarter in the current and prior fiscal year. The equation is (# of Violent Crimes in Quarter ‘x’ of current fiscal year – # of Violent Crimes in Quarter ‘x’ of prior fiscal year) / # of Violent Crimes in Quarter ‘x’ of prior fiscal year.



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***Goal: Every citizen in Durham has access to adequate, safe and affordable housing.***

**Strategies:**

- Increase availability and accessibility of affordable housing to low and moderate income families by 35%.
- Meet the national average of 80% of houses identified as non-compliant with the minimum housing code brought into compliance on an annual basis.
- To partner with nonprofit and for-profit developers and community groups to effectively optimize the public and private resources in creating access to affordable housing.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2nd Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
# Units of affordable housing created (Housing)	13	16	35	40	1	0	2*		3
% of houses identified as non-compliant brought into compliance with minimum housing code. (Housing)	76%	45%	65%	80%	**62% (305 of 489)	52% (185 of 358)	62% (238 of 386)		59% (728 of 1233)

\* Barnes Avenue and DCLT Gattis Street are underway, although the DCLT project is behind schedule. Combined with the five-unit Habitat blitz in June and other executed subrecipient agreements, the annual goal should be met before the end of the fourth quarter. \*\*Correction to 1<sup>st</sup> Quarter for % of houses identified as non-compliant brought into compliance.

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**Goal: *Durham enjoys a prosperous economy.***

**Strategies:**

- Support strategies that provide training to unemployed or underemployed to qualify for jobs.
- Support strategies to recruit jobs tailored to the Durham workforce.
- Support strategies that encourage entrepreneurial and small business growth.
- Support economic and housing development and revitalization efforts in downtown and neighborhoods.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2nd Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
Tax base growth	2.89%	3.73%	3.77%	3.26%	Annual	Annual	Annual		Annual
• Citywide *	\$4.6 B	\$4.6 B	\$4.8 B	\$4.8 B	Annual	Annual	Annual		Annual
• Northeast Central Durham	\$188 M	\$188 M	\$188 M	\$188.6 M	\$188.4M	\$187.8	\$191.6		\$189.3
• State Economic Development Zone	\$3.1 B	\$3.1 B	\$3.6 B	\$3.6 B	\$3.7B	\$3.8B	\$3.8B		\$3.8B
• Downtown (Economic Development)	\$421 M	\$421 M	\$455 M	\$455 M	\$464M	\$465M	\$474M		\$468M
Per capita income – County ** (Economic Development)	\$30,494	\$30,494	\$30,631	\$30,813	Annual Measure	Annual Measure	Annual Measure		Annual Measure

\* Inclusive of commercial and industrial real property valuations only.

\*\* Per-Capita income is only available on a county basis. 2004 information is expected to be released in late May 2006.

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**Goal: Durham citizens enjoy a healthy environment.**

**Strategies:**

- Pursue strategies to reduce ozone non-compliance days.
- Maintain and strengthen programs and policies to provide a safe and sufficient water supply.
- Implement programs to maintain a healthy built environment.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2nd Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
# of units abated for lead-based paint (Housing)	35	35	65	30	11	7	5		23
# of “code orange” or “code red” ozone days in the Triangle (May - Sept.) (Public Works)	16 (2005)	14 (2006)	7 (2006)	12 (2006)	7	0	0		7
Average Water Quality Index (Public Works)	71	79	75	77	65.3	69.3	82.8		72.5

**Goal: Durham citizens enjoy sustainable, thriving neighborhoods with efficient & well-maintained infrastructure.**

**Strategies:**

- Support strategies to identify and fund deferred capital and maintenance needs of City infrastructure.
- Support strategies to ensure new development does not exceed capacity of available infrastructure.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2 <sup>nd</sup> Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
CIP Investment per capita (Budget)	\$148	\$141	\$201	\$689 Bond \$179 W/O Bond	Annual Measure	Annual Measure	Annual Measure		Annual Measure
% of infrastructure related complaints received in Call Center (City Manager)	0.5%	Will set baseline in 04-05	0.46%	0.5%	283 / 49,543 = .57%	247 / 45,855 = .54%	280 / 47,272 = .59%		270 / 47,557 = .57
Lane miles of streets resurfaced (Public Works)	29.3	28	20.7	25.7	0	13.98	0		13.98
Annual avg. raw water demand as % of available capacity (Water Mgmt)	73.0%	<80.0%	75.7%	<80.0%	71.7%	64.4%	55.5%		61.5%

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**Goal: Durham citizens enjoy a city rich in aesthetic beauty.**

**Strategies:**

- Support programs which remove visual barriers to aesthetic beauty.
- Support programs that strengthen the City's partnerships with community groups' work on combating litter.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2nd Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
% increase in citizens participating in clean up campaigns (Spring Clean & Swap) (Solid Waste)	128.1%	12.2%	14%	10%	Annual Measure	Annual Measure	Annual Measure		Annual Measure
% Streets rated as litter free by "Keep America Beautiful" survey (Solid Waste)	New Measure	New Measure	New Measure	34%	Annual Measure	Annual Measure	Annual Measure		Annual Measure
# of illegal dumps removed by Impact Team (Solid Waste)	666	700	800	800	471	363	206		1,040

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**Goal: Durham citizens enjoy a vibrant city that embraces and promotes its cultural diversity and heritage.**

**Strategies:**

- Support efforts to preserve the cultural heritage of the City.
- Support strategies to involve all residents, regardless of language, in city workplace, programs, and activities.
- Increase the percentage of boards and commissions that reflect the diversity of the Durham community.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2nd Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
Percent identified historical structures that are city-protected (Planning)	30% of 2,743 structures	33% of 2,743 structures	33% of 2,743 structures	35% of 2,743 structures	35% of 2,743 structures	35% of 2,743 structures	27% of 3,032* structures		35% of 3,032 structures
% Increase in number of cultural, social, recreational venues & program offerings available, in aggregate, that reflects the demographic, lifestyle, heritage/history and ethnic diversity of Durham (Parks & OEED)	Parks 33 OEED 7	Parks 48 OEED 52	Parks 47 OEED 52	Parks 52 OEED 52	N/A% Parks 13 OEED 12	N/A% Parks 10 OEED 16	N/A% Parks 5 OEED 1		N/A% Parks 9.3 OEED 9.7
% Increase in aggregate attendance at cultural venues and events (DCVB)	11.3% 1,917,453	5% 2,042,455	3.5% 2,013,301	15% 2,315,300	6.4% 641,811	40% 613,119	58% 640,836		58.1%

\* Includes newly recognized properties.

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**Goal: *Durham citizens enjoy an efficient and accountable City government***

**Strategies:**

- Increase the City's General Fund Balance.
- Streamline contracting, purchasing and other fiscal policies.
- Continue aggressive implementation of Enterprise Resource Planning initiative.
- Continue progressive implementation of Pay for Performance structure for all departments.

Measure (Reporting Department)	Actual FY 2003-04	Adopted FY 2004-05	Actual FY 2004-05	Goal FY 2005-06	1st Quarter	2nd Quarter	3rd Quarter	4 <sup>th</sup> Quarter	Year to Date
City's bond rating (Finance)	AAA	AAA	AAA	AAA	AAA	AAA	AAA		AAA
Fund Balance (Finance)	10%	10%	12%	12%	12%	12%	12%		12%

**CITY OF DURHAM, NORTH CAROLINA**

General Fund Activity and Year End

Projection by Department and Class

for Quarter Ending March 2006

DEPARTMENT	FY 2006 ADJUSTED BUDGET	ACTIVITY THROUGH MARCH 2006	ENCUM- BRANCE	PROJECTION THROUGH JUNE 30, 2006	VARIANCE with FINAL BUDGET- POSITIVE (NEGATIVE)
Audit Services	\$ 634,898	\$ 436,723	\$ 851	\$ 610,353	\$ 24,545
Budget & Management Services	797,497	482,711	1,052	766,649	30,848
City Attorney	1,045,177	759,186	794	1,004,164	41,013
City Clerk	540,996	366,523	6,979	526,335	14,661
City Council	426,441	340,733	820	409,383	17,058
City Manager	1,043,896	774,531	3,705	1,025,845	18,051
City/County Inspections	3,125,912	2,228,902	16,638	3,107,514	18,398
City/County Planning	3,265,379	2,160,158	96,871	3,248,981	16,398
Customer service & information center	559,871	427,881	13,351	545,228	14,643
Economic & Employment Development	1,608,755	690,162	353,392	1,580,055	28,700
Emergency Communications and Management	4,068,908	2,304,139	800,243	3,865,463	203,445
Equal Opportunity-Equity Assurance	460,862	328,169	7,960	450,388	10,474
Finance	5,896,223	4,019,598	187,752	5,848,126	48,097
Fire	19,357,324	13,322,170	378,830	19,155,434	201,890
Transfer	-	-	-	-	-
Housing & Community Development	2,439,586	1,688,980	106,854	2,352,481	87,105
Human Relations	470,950	311,997	1,605	453,717	17,233
Human Resources	1,588,257	1,103,163	47,688	1,556,532	31,725
Parks & Recreation	8,234,927	5,351,769	643,200	8,113,460	121,467
Transfer	32,400	32,400	-	32,400	-
Police	38,824,630	29,134,615	345,534	38,707,795	116,835
Transfer	32,748	7,171	-	32,748	-
Property facility and management	14,081,257	8,753,431	2,566,249	13,940,444	140,813
Transfer	39,195	-	-	39,195	-
North East Central Durham	122,000	42,577	-	117,120	4,880
Solid Waste Collections	14,161,332	9,499,715	1,050,997	14,149,719	11,613
Public Affairs & Citizens Assistance	467,361	249,213	87,447	448,667	18,694
Public Works	11,032,236	7,164,674	1,152,518	10,871,269	160,967
Transfer	415,146	-	-	415,146	-
Street Lighting	1,811,002	1,315,031	-	1,738,562	72,440
Technology Solutions	4,624,285	3,317,730	426,798	4,539,314	84,971
NonDepartmental	9,900,372	8,356,780	751,730	9,631,361	269,011
Debt Service	21,983,685	23,129,048	-	21,983,685	-
Transfer	10,158,040	3,168,202	-	10,158,040	-
Total	\$ 183,251,548	\$ 131,268,082	\$ 9,049,858	\$ 181,425,572	\$ 1,825,976

Additional cost for refinancing GO Bonds

11,058,350

CLASS	FY 2006 ADJUSTED BUDGET	ACTIVITY THROUGH MARCH 2006	ENCUM- BRANCE	PROJECTION THROUGH JUNE 30, 2006	VARIANCE with FINAL BUDGET- POSITIVE (NEGATIVE)
Personal Services	104,472,921	76,310,787	477,106	103,439,480	1,033,441
Operating Expenditures	41,287,284	27,207,883	6,115,568	40,667,975	619,309
Capital Outlay	4,830,129	1,412,591	2,457,184	4,656,903	173,226
Debt Service	21,995,422	23,140,785	-	21,995,422	-
Transfers Out	10,665,792	3,196,036	-	10,665,792	-
Total	\$ 183,251,548	\$ 131,268,082	\$ 9,049,858	\$ 181,425,572	\$ 1,825,976



**CITY OF DURHAM, NORTH CAROLINA**

General Fund Revenues and Other

Financing Sources Activity and Year End

Projection for Quarter Ending March 2006

	<b>FY 2006</b>	<b>ACTIVITY</b>	<b>PROJECTION</b>	<b>VARIANCE with</b>
<b>REVENUES</b>	<b>ADJUSTED</b>	<b>THROUGH</b>	<b>THROUGH</b>	<b>FINAL BUDGET-</b>
	<b>BUDGET</b>	<b>MARCH 2006</b>	<b>JUNE 30, 2006</b>	<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
Taxes	\$ 129,027,537	\$ 109,819,901	\$ 129,027,537	\$ -
Licenses and permits	8,160,029	5,942,812	8,078,429	(81,600)
Intergovernmental revenues	16,646,939	12,861,253	16,646,939	-
Investment and rental income	1,803,304	1,124,714	1,622,974	(180,330)
Charges for services	9,250,423	5,343,064	9,137,902	(112,521)
Intragovernmental services	785,000	737,716	785,000	-
Assessments	175,709	90,631	140,567	(35,142)
Sale of property and miscellaneous	1,746,442	2,002,100	1,484,476	(261,966)
Total revenues	<u>167,595,383</u>	<u>137,922,191</u>	<u>166,923,823</u>	<u>(671,560)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer from other funds	6,324,156	496,488	6,324,156	-
Bond refunding proceeds	-	-	-	-
Certificates of participation	1,588,013	-	1,588,013	-
Transfer from reserves	6,300,514	-	6,300,514	-
Appropriation from fund balance	1,443,482	-	1,443,482	-
Total other financing sources	<u>15,656,165</u>	<u>496,488</u>	<u>15,656,165</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 183,251,548</u>	<u>\$ 138,418,679</u>	<u>\$ 182,579,988</u>	<u>\$ (671,560)</u>

Additional revenue for refinancing GO Bonds 11,248,992

Enterprise Fund Budget to Actual  
Water and Sewer Operating Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
<b>Revenues</b>					
Operating revenues	\$ 39,363,835	\$ 49,698,177	79.21%	\$ 49,698,177	\$ -
Licenses and Permits	31,500	66,367	47.46%	42,000	(24,367)
Other operating	-	-		-	-
Total operating revenues	39,395,335	49,764,544	79.16%	49,740,177	(24,367)
<b>Nonoperating revenues</b>					
Intragovernmental revenue	40,476	305,000	13.27%	53,968	(251,032)
Investment income *	755,069	2,085,460	36.21%	1,006,759	(1,078,701)
Interest assessments	100,676	209,850	47.98%	134,235	(75,615)
Rental income	210,661	200,000	105.33%	280,881	80,881
Water Frontage	141,677	612,485	23.13%	188,903	(423,582)
Sewer Frontage	370,518	816,646	45.37%	494,024	(322,622)
Proceeds 2005 Bond Refunding **	29,350,353			29,350,353	29,350,353
Miscellaneous	42,265	44,000	96.06%	56,353	12,353
Transfers from reserves	-	2,596,481	0.00%	2,596,481	-
Operating transfers from other funds	4,376,471	4,736,428	92.40%	4,736,428	-
Total nonoperating revenues	35,388,166	11,606,350	304.90%	38,898,385	27,292,035
Appropriation from fund balance	-	5,685,195	-	5,685,195	-
Total revenues	\$ 74,783,501	\$ 67,056,089	111.52%	\$ 94,323,757	\$ 27,267,668
<b>Expenditures</b>					
<b>Finance Department</b>					
Personal services	\$ 142,293	\$ 225,142	63.20%	\$ 193,234	\$ 31,908
Operating expenditures	10,940	28,186	38.81%	16,410	11,776
Total Finance Department	153,233	253,328	60.49%	209,644	43,684
<b>Water Management Department</b>					
Personal services	8,781,603	14,351,746	61.19%	11,925,417	2,426,329
Operating expenditures	7,710,282	16,430,040	46.93%	12,336,451	4,093,589
Capital outlay	304,232	1,643,431	18.51%	1,643,431	-
Total Water Management Department	16,796,117	32,425,217	51.80%	25,905,299	6,519,918
<b>Public Works Department</b>					
Personal services	1,120,590	1,674,248	66.93%	1,521,761	152,487
Operating expenditures	111,214	212,035	52.45%	148,285	63,750
Capital outlay	15,779	46,717	33.78%	46,717	-
Total Public Works Department	1,247,583	1,933,000	64.54%	1,716,764	216,236
<b>Non-Departmental</b>	5,788,485	5,898,597	98.13%	5,898,597	-
<b>Debt Service</b>					
2005 Bond Refunding **	29,350,353			29,350,353	(29,350,353)
Principal	5,061,806	9,409,964	53.79%	9,409,964	-
Interest and fiscal charges	6,345,329	6,632,297	95.67%	6,632,297	-
Total Debt Service	40,757,488	16,042,261	254.06%	45,392,614	-
Operating transfers to other funds	7,456,598	7,456,598	100.00%	7,456,598	-
Appropriation to fund balance	-	3,047,087	0.00%	3,047,087	-
Total expenditures	\$ 72,199,504	\$ 67,056,088	107.67%	\$ 89,626,603	\$ 6,779,838
<b>Revenues less Expenditures</b>				4,697,154	

\*Investment income is an estimate from Treasury Mgr

\*\*Budget Admendment is in progress

Enterprise Fund Budget to Actual  
Storm Water Management Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
Revenues					
Operating revenues	\$ 5,724,392	\$ 7,377,545	77.59%	\$ 7,434,275	\$ 56,730
Nonoperating revenues					
Investment income *	93,300	150,104	62.16%	124,400	(25,704)
Miscellaneous	64,673	125,000	51.74%	86,231	(38,769)
Transfers from reserves	-	755,167	0.00%	755,167	-
Appropriation from fund balance	-	233,500	0.00%	233,500	-
Total nonoperating revenues	157,973	1,263,771	12.50%	1,199,298	(64,473)
Total revenues	\$ 5,882,365	\$ 8,641,316	68.07%	\$ 8,633,573	\$ (7,743)
Expenditures					
Personal services	\$ 2,067,089	\$ 3,590,699	57.57%	\$ 2,807,107	\$ 783,592
Operating expenditures	1,064,620	1,539,999	69.13%	1,596,930	(56,931)
Capital outlay	403,281	820,048	49.18%	820,048	-
Non-departmental administration	633,014	633,720	99.89%	633,720	-
Transfer to CIP Fund	1,675,000	1,675,000	100.00%	1,675,000	-
Operating transfers to other funds	322,690	381,850	84.51%	381,850	-
Total expenditures	\$ 6,165,694	\$ 8,641,316	71.35%	\$ 7,914,655	\$ 726,661
Revenues less Expenditures				718,918	

\*Investment income is an estimate from Treasury Mgr

Enterprise Fund Budget to Actual  
Parking Facilities Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
Revenues					
Operating revenues	\$ 735,110	\$ 1,335,482	55.04%	\$ 1,480,202	\$ 144,720
Nonoperating revenues					
Investment income	-	15,893	0.00%	15,893	-
Transfers from reserves	-	98,494	0.00%	98,494	-
Operating transfers from other funds	87,650	706,223	12.41%	706,223	-
Total nonoperating revenues	87,650	820,610	10.68%	820,610	-
Total revenues	\$ 822,760	\$ 2,156,092	38.16%	\$ 2,300,812	\$ 144,720
Expenditures					
Personal services	\$ 39,430	\$ 51,806	76.11%	\$ 53,546	\$ (1,740)
Operating expenditures	585,636	1,085,636	53.94%	1,140,043	(54,407)
Non-departmental administration	16,750	16,750	100.00%	16,750	-
Debt Service					
Principal	755,000	755,000	100.00%	755,000	-
Interest and fiscal charges	246,900	246,900	100.00%	246,900	-
Transfer to fund balance	-	-		-	-
Total expenditures	\$ 1,643,716	\$ 2,156,092	76.24%	\$ 2,212,239	\$ (56,147)
Revenues less Expenditures				88,572	

Enterprise Fund Budget to Actual  
Solid Waste Disposal Operating Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
Revenues					
Operating revenues	\$ 5,186,532	\$ 7,000,000	74.09%	\$ 6,915,376	\$ (84,624)
Nonoperating revenues					
Investment income *	50,863	81,821	62.16%	81,821	-
Miscellaneous	113,262	173,000	65.47%	151,016	(21,984)
Proceeds from 2005 Bond Refunding **	4,537,280	-		4,537,280	4,537,280
Transfers from reserves	-	519,512	0.00%	519,512	-
Transfers from other funds	227,332	2,391,229	9.51%	2,391,229	-
Total nonoperating revenues	4,928,737	3,165,562	155.70%	7,680,858	4,515,296
Total revenues	\$ 10,115,269	\$ 10,165,562	99.51%	\$ 14,596,234	\$ 4,430,672
Expenditures					
Water Management Department					
Personal services	\$ 33,570	\$ 43,637	76.93%	\$ 45,588	\$ (1,951)
Operating expenditures	43,246	231,639	18.67%	61,053	170,586
Capital outlay	40,033	58,200	68.79%	58,200	-
Total Water Management Department	116,849	333,476	35.04%	164,841	168,635
Solid Waste Collections Department					
Personal services	329,243	445,622	73.88%	447,112	(1,490)
Operating expenditures	4,209,537	5,998,137	70.18%	5,942,876	55,261
Capital Outlay	99,738	100,000		132,984	(32,984)
Total Solid Waste Collections Department	4,538,780	6,543,759	69.36%	6,389,988	20,787
Non-Departmental	295,829	295,829	100.00%	295,829	-
Debt Service					
2005 Bond Refunding **	4,537,280			4,537,280	(4,537,280)
Principal	1,035,714	1,602,266	64.64%	1,602,266	-
Interest and fiscal charges	886,341	1,298,682	68.25%	1,298,682	-
Appr not Authorized for Expenditure	-	91,550	0.00%	91,550	-
Total Debt Service	6,459,335	2,992,498	215.85%	7,529,778	(4,537,280)
Total expenditures	\$ 11,410,793	\$ 10,165,562	112.25%	\$ 14,380,436	\$ (4,347,858)
Revenues less Expenditures				215,798	

\*Investment income is an estimate from Treasury Mgr

\*\*Budget Admendment is in progress

Enterprise Fund Budget to Actual  
Ballpark Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
Revenues					
Operating revenues	\$ 475,458	\$ 590,000	80.59%	\$ 633,944	\$ 43,944
Nonoperating revenues					
Investment income	-	8,409	0.00%	8,409	-
Operating transfers from other funds	1,279,548	1,675,481	76.37%	1,675,481	-
Transfers from reserves	-	75,403	0.00%	75,403	-
Total nonoperating revenues	1,279,548	1,759,293	72.73%	1,759,293	-
Total revenues	\$ 1,755,006	\$ 2,349,293	74.70%	\$ 2,393,237	\$ 43,944
Expenditures					
Personal services	\$ 90,734	\$ 164,956	55.00%	\$ 123,217	\$ 41,739
Operating expenditures	350,436	795,554	44.05%	494,733	300,821
Non-departmental administration	97,218	97,218	100.00%	97,218	-
Debt Service					
Principal	685,000	685,000	100.00%	685,000	-
Interest and fiscal charges	417,353	357,514	116.74%	417,353	(59,839)
Operating transfers to other funds	249,051	249,051	100.00%	249,051	-
Total expenditures	\$ 1,889,792	\$ 2,349,293	80.44%	\$ 2,066,572	\$ 282,721
Revenues less Expenditures				326,665	

Enterprise Fund Budget to Actual  
Transit Operations Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
Revenues					
Operating revenues	\$ 1,983,204	\$ 2,246,396	88.28%	\$ 2,644,272	\$ 397,876
Nonoperating revenues					
Licenses and permits	1,113,954	1,300,000	85.69%	1,485,272	185,272
Intergovernmental revenue	2,286,723	2,424,972	94.30%	2,424,972	-
Investment income	59,209	97,094	60.98%	97,094	-
Miscellaneous	158,421	335,670	47.20%	211,228	(124,442)
Transfers from reserves	-	521,252	0.00%	521,252	-
Appropriation from fund balance	1,268,773	1,268,773	100.00%	1,268,773	-
Operating transfers from other funds	-	3,935,333	0.00%	3,935,333	-
Total nonoperating revenues	4,887,080	9,883,094	49.45%	9,943,924	60,830
Total revenues	\$ 6,870,284	\$ 12,129,490	56.64%	\$ 12,588,196	\$ 458,706
Expenditures					
Personal services	\$ 33,297	\$ 60,769	54.79%	\$ 45,217	\$ 15,552
Operating expenditures	6,829,434	10,946,082	62.39%	10,927,094	18,988
Capital outlay	27,866	44,053	63.26%	44,053	-
Non-departmental administration	166,300	166,300	100.00%	166,300	-
Debt Service					
Principal	50,943	50,943	100.00%	50,943	-
Interest and fiscal charges	7,690	15,396	49.95%	15,396	-
Appropriation not authorized	-	-		-	-
Operating transfers to other funds	845,947	845,947	100.00%	845,947	-
Total expenditures	\$ 7,961,477	\$ 12,129,490	65.64%	\$ 12,094,951	\$ 34,539
Revenues less Expenditures				493,245	

\*Investment income is an estimate from Treasury Mgr

Enterprise Fund Budget to Actual  
Water and Sewer Capital Facility Fee Fund  
Month Ended March 31, 2006

Exhibit 3

	<u>Actual</u>	<u>Budget</u>	<u>Percent of Budget</u>	<u>Year-End Projection</u>	<u>Year-End Positive/ (Negative)</u>
Revenues					
Operating revenues	\$ <u>3,602,171</u>	\$ <u>4,390,000</u>	<u>82.05%</u>	\$ <u>4,802,895</u>	\$ <u>412,895</u>
Nonoperating revenues					
Investment income	<u>-</u>	<u>71,428</u>	<u>0.00%</u>	<u>71,428</u>	<u>-</u>
Total revenues	\$ <u><u>3,602,171</u></u>	\$ <u><u>4,461,428</u></u>	<u><u>80.74%</u></u>	\$ <u><u>4,874,323</u></u>	\$ <u><u>412,895</u></u>
Expenditures					
Operating transfers to other funds	\$ <u><u>4,101,471</u></u>	<u><u>4,461,428</u></u>	<u><u>91.93%</u></u>	\$ <u><u>4,802,895</u></u>	\$ <u><u>(341,467)</u></u>
Revenues less Expenditures				71,428	



Enterprise Fund Budget to Actual  
Civic Center Fund  
Month Ended March 31, 2006

Exhibit 3

	Actual	Budget	Percent of Budget	Year-End Projection	Year-End Positive/ (Negative)
Revenues					
Operating revenues	\$ 1,133,655	\$ 1,995,624	56.81%	\$ 1,914,143	\$ (81,482)
Nonoperating revenues					
Taxes	1,440,622	1,346,903	106.96%	1,440,622	93,719
Intergovernmental revenue	558,340	837,510	66.67%	837,510	-
Miscellaneous	99,456	123,118	80.78%	132,608	9,490
Investment income *	26,681	42,920	62.16%	42,920	-
Transfers from reserves	-	146,131	0.00%	146,131	-
Total nonoperating revenues	2,125,099	2,496,582	85.12%	2,599,791	103,209
Total revenues	\$ 3,258,754	\$ 4,492,206	72.54%	\$ 4,513,934	\$ 21,728
Expenditures					
Personal services	\$ 966,544	\$ 1,455,091	66.42%	\$ 1,591,902	\$ (136,811)
Operating expenditures	924,393	1,561,825	59.19%	1,510,798	51,028
Capital outlay	9,349	1,078	867.25%	9,349	(8,271)
Non-departmental administration	175,293	198,060	88.50%	198,060	-
Debt Service					
Principal	547,028	547,028	100.00%	547,028	-
Interest and fiscal charges	55,506	55,506	100.00%	55,506	-
Transfers to fund balance	-	673,618	0.00%	673,618	-
Total expenditures	\$ 2,678,113	\$ 4,492,206	59.62%	\$ 4,586,261	\$ (94,055)
Revenues less Expenditures				(72,327)	

\*Investment income is an estimate from Treasury Mgr

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
<i>Culture and Recreation:</i>				
501 Rail Corridor	\$ 1,500,000	\$ -	\$ 1,500,000	Funding for corridor purchase has been approved by NCDOT, federal govt and the County. City contribution provided through the 2005 Bond referendum approved in November. Ordinance approved 12/08/05. NCDOT continues to work with Norfolk Southern (NS) on corridor acquisition. Expected completion is unknown until acquisition issues are resolved with NS. No change this quarter
ADA Compliance-Parks & Recreation	1,323,000	-	1,323,000	New 2005 Bond Project, ordinance approved 12/08/05 See ADA project under General Services for current ADA activity.
American Tobacco Trail-Morehead to Cornwallis	5,421,250	4,337,394	1,083,856	Project Phase: Planning, phase E(trail south of NC54 to Chatham County line)-80% complete. Municipal Agreement approved by Council Jan 17; negotiating with Parsons Brinkerhoff for contract. Expected date of completion - Spring 2008
Bethesda Park	5,393,068	89,756	5,303,312	Project phase: Design Master Plan complete. Request for qualifications for design will be issued February 2006. Expected date of substantial completion - 1st quarter 2009
Burton Park & T.A. Grady Upgrade	295,000	-	295,000	Project Phase: Planning Percent complete: 75% Major activities: Development of RFQ. Expected date of substantial completion: Spring 2008
C.M. Herndon Park	3,579,684	3,486,138	93,546	Project 75% complete. Major activities this period: Sod on fields installed, fencing and paving completed. Expected date of substantial completion: Spring, 2006 when landscaping can be completed. Park will be open for use in Fall, 2006.
C. R. Woods Park Upgrade	250,000	-	250,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of RFQ Expected date of substantial completion: April 2008
Crest Street Upgrade	278,000	-	278,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of RFQ Expected date of substantial completion: April 2008
Downtown Trail	906,695	878,777	27,918	This project is complete. In closeout phase
East End Park & E.D. Mickle Rec.Cntr.	151,000	-	151,000	Project phase: Planning Percent complete: 75% Major activities: Development of RFQ Expected date of substantial completion: Spring 2008
Eno Greenway	1,103,427	130,036	973,391	Project is being done in two phases. Design of bridge and trail is 65% complete. Construction bids for demolition of the ford will be advertised in June 2006. Expected date of substantial completion 3rd quarter, 2007.
Forest Hills Upgrade	532,000	-	532,000	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ Expected date of substantial completion: Fall 2006
Garrett Road Park Upgrade	764,000	-	764,000	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ Expected date of substantial completion: Spring 2009

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
Grant Park Upgrade	\$ 278,000	\$ -	\$ 278,000	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ Expected date of substantial completion: Spring 2009
Hillside & W.D. Hill Upgrade	981,000	91,394	889,606	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ Expected date of substantial completion: Spring 2008
Lake Michie Upgrade	360,000	-	360,000	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ Expected date of substantial completion: Spring 2009
Lyon Park Upgrade	673,000	-	673,000	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ Expected date of substantial completion: Spring 2008
Moreene Road Park Renovations	320,000	-	320,000	Project phase: Planning/design Percent complete: 50% Major Activity: Contracted with engineering firm to assess building failure; progress on design of new play structures. Expected date of substantial completion: Spring 2008
North/South Greenway Upgrade	216,000	-	216,000	Project phase: Planning Percent complete: 75% Major Activity: Development of RFQ. Expected date of substantial completion: Spring 2008
Old Farm Park Upgrade	151,000	-	151,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2008
Open space and greenway preservation	7,138,187	4,853,240	2,284,947	Project Phase: Design Percent Complete: 100% Major activities this period: Project bids advertised, but no bids were received. Will be bid again in August 2006. Expected date of substantial completion: Third quarter 2007.
Park renovations	6,570,606	5,930,178	640,428	Project contains numerous park projects within its scope. Some are fully built such as Orchards Park, some are still in construction, such as Long Meadow Park. New park renovation projects funded by the 2005 bond are in the planning and design stages.
Playground renovations	3,161,275	2,164,589	996,686	Project in planning stage. 75% complete. Contract negotiations with designer are ongoing. Expected date of substantial completion: 1st Quarter 2009
Piney Wood Park Upgrade	406,000	-	406,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2008
Pool replacement	1,473,904	1,314,704	159,200	Project complete - in close-out phase

**CAPITAL IMPROVEMENT PROJECTS**  
**March 31, 2006 Quarterly Report**  
**FY 2006 -- Third Quarter**

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
Recreation center and ball field renovations	\$ 887,954	\$ 786,104	\$ 101,850	Piney Wood renovation and Twin Lakes lighting completed. Work on remaining fields currently in design phase - 75% complete. Expected date of substantial completion for remaining field renovations - Third quarter 2007.
Recreation software package	126,000	-	126,000	New 2005 Bond Project, ordinance approved 12/08/05. DPR Staff currently creating the scope of services desired so that the project can be bid out.
Renovation of Long Meadow Park	325,000	12,628	312,372	Phase 1 is funded under Park Renovations. Phase 1 construction contract was awarded in February 2006 and includes new playground, basketball court renovations, new picnic shelter, ADA compliant sidewalks and site furniture. Estimate 15% complete. Phase 2 is funded in this section. Construction documents are 95% complete and GS intends to bid in June 2006. Phase 2 includes parking lot renovations and bath house improvements. Expected date of substantial completion 4th quarter 2006.
Renovation of Northgate Park	314,000	-	314,000	Master Plan 100% complete. Design 10% complete. Design contract being amended to include 2005 bond funds and possible grant funds. Grant funding decision will be made in May 2006.
Renovation of Old Lyon Park Center	500,000	-	500,000	New 2005 Bond Project, ordinance approved 12/08/05 No progress this quarter Expected date of substantial completion: 4th quarter 2007
Renovation of Oval Drive Park	520,000	-	520,000	Project phase: Design 50% complete Design is ongoing; site plan was submitted to Planning for approval. Expected date of substantial completion: 4th quarter 2007
Rock Quarry/Edison Johnson Upgrade	1,181,000	-	1,181,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2009
School lighting and storage improvements	666,149	664,731	1,418	This phase of project substantially complete - contract closeout phase.
Shady Oaks Upgrade	109,000	-	109,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2009
Sherwood Park Upgrade	439,000	-	439,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2009
Southern Boundaries Park Upgrade	110,000	-	110,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2008

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
System Wide Park Gates	\$ 750,000	\$ -	\$ 750,000	Project Phase: Planning Percent Complete: 35% Major activities: Staff researching needs of specific parks and gate controllers and timers. Scope of services desired being developed. Crime data and police input gathered. Expected date of substantial completion: Winter 2007
System Wide Park Signage	750,000	-	750,000	Project Phase: Planning Percent Complete: 75% Major activities: Consultant firm selected, contract being negotiated. Public meetings will be part of the design phase. Expected date of substantial completion: Spring 2007
Twin Lakes Park	774,000	419,999	354,001	Project phase: Planning Percent complete: 75% Major activities: Development of RFQ Expected date of substantial completion: Spring 2009
West Point on the Eno Upgrade	195,000	-	195,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2009
Walltown Park Upgrade	374,000	-	374,000	Project Phase: Planning Percent complete: 75% Major activities: Master planning for Parks and Recreation Center has begun. Expected date of substantial completion: Winter 2009
Walltown Recreation Center Study	8,375,392	224,219	8,151,173	Planning & design stage. No change in status this quarter. Completion date projected to be second quarter 2009.
White Oak Park Upgrade	113,000	-	113,000	Project Phase: Planning Percent Complete: 75% Major activities: Development of REQ. Expected date of substantial completion: Spring 2009
Dog Park North	100,000	-	100,000	Design development at 95% completion. Construction bids to be advertised in June 2006. Expected date of substantial completion: 1st quarter 2007.
Duke Park Skateboard Facility	180,000	-	180,000	Project Phase: Planning Percent Complete: 75% Major activities: Selection of skateboard park location & negotiation for property; site is adjacent to ATT Trailhead @ Morehead St. Public meeting in early summer. Expected date of substantial completion: Winter 2006
I.R. Holmes Center/Campus Hills	1,615,595	45,528	1,570,067	Design phase - 50% complete Design and site plan work completed, site plan expanded to include playground and picnic area as well as center addition with new 2005 bond funding. Field will also be renovated later. Expected date of substantial completion - Fall 2006.
Leigh Farm Park Phase I & II	500,000	164,548	335,452	Design & Planning are funded. Edwards-Pitman Environmental, Inc. began work in January on site assessment and archeological assessments. First public meeting to share their findings is May 23, DPR Office.

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
Northeast Central Durham Recreation Cntr.	\$ 8,650,188	\$ 89,781	\$ 8,560,407	Project in planning stage. Staff from Parks and Recreation, DPS, County and Duke Medical Center continue to meet to work out space proposals to turn former Holton Middle School into major community recreational, vocational and educational center. Proposed construction funded by 2005 Bonds. Progress in design awaiting agreement by all parties involved.
Northern Athletic Park (was Vintage Hill or Little River)	322,000	283,725	38,275	Project phase: Land acquisition Percent complete: 95% Major Activities: Boundary and topographic survey plats reviewed and corrected. Expected date of substantial completion: May 2006 No funding for construction.
Old Chapel Hill Road Park	4,191,949	580,857	3,611,092	Project phase: Planning 75% complete. Land acquisition begun for alternative access. Durham Public Schools and City adopted master plan. Expected date of substantial complete: 4th quarter 2008
Renovation of Weaver Street Center	625,843	-	625,843	Project in Planning stage. Development of RFQ in process. Expected date of substantial completion projected to be second quarter 2009
<i>Total Culture and Recreation</i>	75,921,166	26,548,326	49,372,840	

*Downtown Revitalization:*

Armory Upgrade	883,000	70,730	812,270	Project Phase: Design Percent Complete: 5% Major activities: An architectural contract was negotiated and has been approved by City Council. Expected date of substantial completion: July 2008
Centre Parking Deck Repair	4,872,000	26,727	4,845,273	Project Phase: Design Percent Complete: 5% Major activities: An engineering firm was selected and a contract is being negotiated. Expected date of substantial completion: July 2008
Chapel Hill Street Parking Deck retrofit	1,583,000	-	1,583,000	Project Phase: Design Percent Complete: 5% Major activities: An engineering firm was selected and a contract is being negotiated. Expected date of substantial completion: July 2008
Corcoran Street Parking Deck Upgrade	1,309,000	-	1,309,000	Project Phase: Design Percent complete: 5% Major activities this period: An engineering contract was negotiated and a has been approved by Council. Expected date of substantial complete: July 2008
Durham Athletic Park Phase 1&2	4,000,000	-	4,000,000	In Planning Stage. Office of Economic and Employment Development is reviewing RFQ's for redevelopment of the DAP. Projected date of completion - 2009.
Durham Bulls Athletic Park Upgrade	887,000	-	887,000	Project phase: Design Percent complete: 5% Major activities: An engineering firm has been selected and a contract is being negotiated. Expected date of substantial completion: July 2008
Durham Central Park Utility Infrastructure	330,000	-	330,000	Project Phase: Design Percent complete: 95% for Phase II Date of Substantial completion: Third Quarter 2006

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
Foster/Corcoran/Center City Plaza Realignment	\$ 11,735,109	\$ 11,735,108	\$ 1	Construction underway. This is a 2.5 year project For specific updates on construction see the web site: <a href="http://www.ci.durham.nc.us/departments/works/downtown_improvements.cfm">www.ci.durham.nc.us/departments/works/downtown_improvements.cfm</a>
Hayti Heritage Center Performance	612,000	-	612,000	New 2005 Bond Project The City is negotiating a development agreement with St. Joseph's. Expected date of substantial completion 2008
Performing Arts Theatre	30,500,000	2,754,400	27,745,600	New project for FY06. Design phase is 85% complete. Report on progress made to City Council. Expected date of completion - Summer 2006
Neighborhood Development	1,750,000	-	1,750,000	Project Phase: Proposals Requested Percent complete: 100% Major activity: Neighborhood commercial area plan completed, RFP's requested and received. Analyzing RFPs. Expected date of substantial completion: Summer 2007
Liggett Streetscape	4,000,000	-	4,000,000	West Village II Project approved by City Council. EDA grant request being prepared. Date of Substantial completion for all phases: Spring 2008
<i>Total Downtown Revitalization</i>	<b>62,461,109</b>	<b>14,586,965</b>	<b>47,874,144</b>	

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
<i>General Services:</i>				
ADA Compliance	\$ 2,226,991	\$ 150,721	\$ 2,076,270	The ADA Consultant is assessing additional sites for compliance as well as revisiting sites listed in the Settlement Agreement with the Dept. of Justice to determine where program modifications can be substituted for expensive barrier removal (structural) projects. Project Management is incorporating ADA barrier removal into the scope of work for larger deferred maintenance projects.
Carolina Theatre	5,413,714	220,860	5,192,854	Project Phase: Design Percent complete: 5% Major activities this period: An architectural contract was negotiated and a has been approved by Council. Expected date of substantial complete: July 2008
Cemetery Upgrade	190,000	-	190,000	Project Phase: Planning Percent complete: 0% No major activity this period. Expected date of substantial completion: July 2009
City Hall Annex	3,882,000	300,000	3,582,000	Project Phase: Design Percent Complete: 60% Major activities: Design documents are in progress. Expected date of substantial completion: February 2008
City Hall HVAC Replacement	1,361,000	692,950	668,050	Project Phase: Construction Percent Complete: 10% Major activities: Bids were opened in February 2006. Council approval of the construction contract is expected in May 2006. Date of substantial completion: March 2007
City Hall Space Expansion	7,755,300	4,147,599	3,607,701	Project Phase: Design Percent Complete: 70% Major activities: Design documents are in progress. Expected date of substantial completion: February 2008
Civic Center	2,355,500	102	2,355,398	Project Phase: Design Percent complete: 5% Major activities this period: An architectural contract was negotiated and a has been approved by Council. Expected date of substantial complete: July 2008
Durham Arts Council Renovation	1,885,070	476,177	1,408,893	Project Phase: Design Percent complete: 5% Major activities this period: An architectural contract was negotiated and a has been approved by Council. Expected date of substantial complete: July 2008
New Sign & Signal Shop	1,130,000	-	1,130,000	Project Phase: Planning & site selection A site was chosen in January 2006. Site plan development begins Spring 2006, design 2007. Project schedule depends upon project management capacity. Expected completion: September 2008
Solid Waste Transfer Station	440,000	-	440,000	Project Phase: Planning Percent complete: 0% No major activity this period. Expected date of substantial completion: July 2009
<i>Total General Services</i>	26,639,575	5,988,409	20,651,166	



**CAPITAL IMPROVEMENT PROJECTS**  
**March 31, 2006 Quarterly Report**  
**FY 2006 -- Third Quarter**

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
<i>Housing and Neighborhood Revitalization.</i>				
Affordable Housing	\$ 51,307,041	\$ 46,739,065	\$ 4,567,976	Some of the major projects: <u>Barnes Avenue</u> infrastructure 100% complete--major activities this period include construction of SF and Condo units-50%complete. <u>Gattis Street</u> - 2 additional units are under construction. Renovation of open space creek area underway. <u>Rolling Hills</u> -developer interviews being conducted. <u>Housing Rehab</u> -15 full rehabs, 13 minor rehabs and 8 lead abatements so far this year.

*Public Protection:*

Rigsbee/Broadway Acquisition and Retrofit	4,600,276	1,214,831	3,385,445	Project Phase: Design/Design Percent Complete: 75%/5% Major Activities: Construction documents for the Rigsbee building are in progress. For the Broadway building, an architect has been selected and a contract is being negotiated. Expected date of substantial completion: April 2008
Fire Maintenance building upgrade	238,000	-	238,000	Project Phase: Planning Percent complete: 0% No major activity this quarter. Expected date of substantial completion: July 2009
Fire Station Administration Bldg. Retrofit	462,000	-	462,000	Project Phase: Planning Percent Complete: 0% No major activity this quarter. Expected date of substantial completion: July 2009
Fire Station #8	1,450,000	1,275,360	174,640	Project complete in close-out phase on general ledger
Fire Station #12 upgrade	172,000	-	172,000	Project Phase: Planning Percent Complete: 0% No major activity this quarter. Expected date of substantial completion: July 2009
Fire Station #16	2,430,500	2,080,758	349,742	Construction project: 50% complete. Expected finish date: July 15, 2006
Police Headquarters	4,101,018	-	4,101,018	Project Phase: Design Percent Complete: 5% Major activities: An architectural contract was negotiated and has been approved by City Council. Expected date of substantial completion: July 2008
Radio Infrastructure	7,920,000	7,513,382	406,618	Project Phase - Installation Percent Complete: 95% Major Activity this quarter: Work continues at the back up 911 Center located at Duke. There are delays to electrical construction at Police Headquarters. Expected date of substantial completion: September 2006.
Radio Replacement	2,575,000	999,724	1,575,276	Project Phase: Installation Percent Complete: 33% (ongoing for 6 years) Major Activity this quarter: A purchase order was issued to Motorola on April 7 for 404 radios in the amount of \$1,574,279. This is a 2005 GO Bond Project.
<i>Total Public Protection</i>	<b>23,948,794</b>	<b>13,084,055</b>	<b>10,864,739</b>	

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
<i>Transportation:</i>				
Alston Avenue Extension	\$ 900,000	\$ -	\$ 900,000	This is an inactive project and will be removed from the CIP
Apex Street Bridge	100,000	20,000	80,000	This will be a pedestrian only bridge. Council will provide opportunities for public comment. At this time, there is no funds for construction.
Carver Street Extension	2,500,000	-	2,500,000	This project extends Carver Street in northeastern Durham from Duke Lane east to Old Oxford Highway. A request for design proposals will be issued by Summer 2006.
Fayetteville Road Widening	8,102,638	7,902,203	200,435	Project substantially complete. Project is in close out phase.
Fayetteville Road Widening Phase II	1,892,400	-	1,892,400	Project widens 2.5 miles of Fayetteville Road from Woodcroft Pkwy to Cornwallis Road from two to four lanes with a landscaped median and sidewalks. The project is currently in design , land acquisition proceeds through 2008 , and construction in 2008-2010.
Federal and State Match Projects	7,366,228	4,823,746	2,542,482	Multiple small projects in various stages of implementation including intersection improvements at Fayetteville Rd and Riddle Rd. Five projects managed by NCDOT have been delayed until 2006-2007 due to State funding cuts. Funding for these are anticipated to be available during 2006. Other projects are also under consideration. Riddle/Fayetteville intersection expected to be complete by 2007.
Garrett Road Extension	700,000	153,999	546,001	This project extends Garrett Road from Hope Valley Road south to NC 54 and includes a new traffic signal on NC54. This project is currently under design. Construction will be in 2006 to be completed in 2007.
Martin Luther King, Jr. Parkway	15,767,366	15,495,833	271,533	This project includes the right of way acquisition, design and construction of a four-lane street. This will add two additional lanes and a median to Archdale Drive. This construction will extend MLK from Hope Valley Rd to Old Chapel Hill Rd. Construction is currently underway and will be completed in 2006. Updates on the construction are available on the City Website at: <a href="http://www.durhamnc.gov/departments/works/construction_projects.cfm">www.durhamnc.gov/departments/works/construction_projects.cfm</a> .
Misc. Thoroughfare & Street Improvements	5,166,438	3,611,221	1,555,217	Multiple projects in various phases of design, right of way acquisition or construction. Activities this period: Received bids for the installation of three new traffic signals: M.L. King Parkway at Cook Road, MLK King Parkway and Yorktown Ave. and Duke St and Frazier. Expected date of completions varies.
Multi-Modal Transportation Center (Durham Station)	17,184,000	5,283,336	11,900,664	Project Phase: Design. Percent complete: 50% Major activities this period: Design development is in process. The scope of the project was reduced to meet the project building budget. Expected completion date: April 2008.

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
NC 147/Bicycle/Pedestrian Bridge	\$ 2,000,000	\$ 684,500	\$ 1,315,500	This project replaces the existing bicycle/pedestrian bridge spanning NC 147 east of Alston Av. The project includes removal of the existing bridge and design & constr. of the replacement bridge. Design is currently underway. Construction will be complete in 2007.
NC 751 Widening Phase1	1,680,000	-	1,680,000	New Project for FY06. This project widens .76 miles of Hwy 751 from South Roxboro Street to NC 54. The project will widen 751 from 2 lanes to 4 lanes with a landscaped median and sidewalks. The project will ease traffic congestion around SW Durham. Design is partially funded and should begin in 2006. Construction is not currently funded.
New Dirt/Petition Street Paving	14,136,572	9,876,580	4,259,992	This project provides funding to pave streets that have been ordered by petitions or Enabling Act Authority. There are currently 13 streets ordered by Council for paving. Funding is insufficient to pave them all. A construction contract for a portion of the streets is scheduled to be bid in Spring 2006 and awarded Summer 2006. The actual streets included on the contract will be influenced by economic fluctuations in the bidding climate.
Road Resurfacing	7,350,000	1,375,000	5,975,000	This project will allow City streets to be resurfaced in a continuous cycle. A contract for construction management services will be awarded in Spring 2006. A resurfacing contract using the 2/3's bond money is anticipated to be awarded this Summer 2006. A second contract for 25 miles of street resurfacing using 2005 GO Bonds will be bid with construction being complete in 2007.
Salt Dome	170,000	-	170,000	Project Phase Planning & site development The new salt dome quadruples sand & salt storage capacity to a level of average actual annual usage. It will make road clearance quicker and more efficient. Project has been joined to the New Sign & Signal Shop Project to be co-located on that site. Site plan development begins Summer 2006 and construction follows in Summer 2007. Expected date of substantial completion: Summer 2007
Sidewalks - New Construction	6,609,300	4,306,375	2,302,925	This project funds new sidewalk construction citywide based on the forthcoming Comprehensive Pedestrian Plan. The Plan is slated to be completed this year and will be presented to Council April 20, 2006. Design will begin thereafter with construction expected in 2007. Projects constructed under the Program will provide better pedestrian access to schools and bus stops, improve pedestrian safety and improve the City's appearance. For more information see Walks website at <a href="http://www.durhamnc.gov/durhamwalks/">www.durhamnc.gov/durhamwalks/</a>

**CAPITAL IMPROVEMENT PROJECTS**  
**March 31, 2006 Quarterly Report**  
**FY 2006 -- Third Quarter**

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
Sidewalk Replace & ADA Compliance	\$ 4,707,300	\$ 1,676,484	\$ 3,030,816	This program funds the repair and replacement of damaged and deteriorating sidewalks to improve pedestrian safety. The City is required to construct wheelchair ramps at all public streets where a sidewalk crosses a curb. The Comprehensive Pedestrian Plan slated for completion in 2006 shall assist in itemizing and prioritizing repairs. The plan will be presented to Council April 20, 2006. Construction contracts will be awarded thereafter. Expected completion at the end of 2008.
South Roxboro Street Extension	1,500,000	-	1,500,000	New funding for FY06 for design phase. Design proposals will be issued by Summer 2006.
Traffic Calming	2,110,000	880,776	1,229,224	Project Phase: Planning and design for Summer 2006 speed hump installations. A contract will be awarded Spring 2006 for Phase 1. A second contract will be awarded in late 2006 for work in 2007. Major activities this quarter: Receiving, reviewing and approving speed hump petition requests for Spring 2006. Expected date of completion: End of 2006 for Phase 1 and 2007 for phase 2. Approved Neighborhood Traffic Calming strategies scheduled for implementation in late 2006 & 2007
Traffic Signal System Upgrade	2,568,500	2,454,831	113,669	The contractor is in the final phase of construction. The final phase includes the following: 1) Fine tuning communications from the Traffic Control Center with each signalized intersection; 2) Completion of software integration with various system components; 3) Close out of final punch list items identified by inspectors; and 4) Preliminary system component testing. Expected date of substantial completion: Observation period scheduled to begin July 10, 2006.
<i>Total Transportation</i>	102,510,742	58,544,884	43,965,858	

*Technology:*

Enterprise Resource Planning System	5,790,000	3,136,164	2,653,836	Implementation of MUNIS solution started June 2005. Four phase implementation: Financials, General Billing, Human Resources, and Utility Billing. Best Practice Reviews for financials completed, implementation now in progress. Best Practice Reviews for General Billing & Human Resources begin in January 2006. Best Practices for Business Licenses will begin in April 2006.
Workflow Automation System	973,885	863,885	110,000	The City of Durham and ACS will finalize the list of issues discovered during the review process starting the week of April 24, 2006. Once all concerns have been resolved, a new release date will be published.
<i>Total Technology</i>	6,763,885	4,000,049	2,763,836	

Total General Capital Projects	349,552,312	169,491,753	180,060,559
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**CAPITAL IMPROVEMENT PROJECTS**  
**March 31, 2006 Quarterly Report**  
**FY 2006 -- Third Quarter**

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
<i>Water:</i>				
Asbestos Cement Line Replacement	\$ 750,000	\$ 496,425	\$ 253,575	The project is in the Planning Phase and is 50% complete. Request for proposals for remaining projects due in June 2006. The expected date of substantial completion is unknown and the construction phase is not currently funded.
Brown Water Treatment Plant Expansion	7,431,282	6,177,201	1,254,081	Phase 1 complete except for minor punch list items. Phase 2 is partially funded. Request for engineering services will be developed by about June 2006 for additional service pumping capacity.
Ellis Road Tank Painting	500,000	101,500	398,500	Project Phase: Initiation Percent Complete: 30% Major Activities: Tank removed from service, Interior has been prepared and primed for painting. Preparations for exterior painting has begun. Expected date of substantial completion: Tank is expected to return to service by the middle of May. This contract is ongoing for 5 years. Initial painting will be completed with 2 years. Inspection will be done annually.
Finished Water Storage	789,473	695,649	93,824	Construction of Phase I - Huckleberry Reservoir Renovations is complete. Funding for Phase II is not yet funded.
Future Water Supply/Quality Protection	4,269,159	3,240,940	1,028,219	On going purchase of buffer properties for future expansion of Lake Michie 78% complete. Major activities this period include updating database and developing GIS map layers, requests for purchase from willing sellers. Expected date of completion to be determined.
Lake Michie Dam Renovations	1,545,000	1,145,764	399,236	Project is in the Construction phase - 75% complete. Major Activity this period: Construction continued; spillway repairs put on hold due to cold temperatures. Will continue in late summer when lake levels naturally drop in order to conserve raw water. Expected date of substantial completion - Fall 2006.
Little River Dam Repairs	275,000	-	275,000	Planning phase 75% complete. Expected date of completion: Spring 2007
ND/SD WRF Automation Sys.Upgrade	1,525,000	-	1,525,000	New project for FY06. In planning stage- 75% complete. Major activities this quarter: reviewed options. Expected completion date Fall 2006.
NDWRF Improvements & LF Gas Utilization	6,700,000	-	6,700,000	Project phase: 1)NDWRF B-side Improvements-engineering phase (10%); 2)Digester Gas Project - nearing completion(99%) ; 3)Aeration Basin Repair and Modification Project - Construction begun (15%); 4) Landfill Gas Utilization - Negotiation on agreement with project developer nearing completion. (50%) Expected dates of completion 1)Fall/Winter 2008-09; 2) Winter 2006; 3) Summer 2006; 4)Fall/Winter 2006-07. Expected dates of completion: (1) Fall/Winter 2008 09 (2 & 3) Summer 2006, (4) Fall/Winter 2006-07.
Raleigh Emergency Water Interconnection	750,000	-	750,000	Request for Proposal stage

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
Southern Reinforcing Main	\$ 5,500,000	\$ -	\$ 5,500,000	Project Phase: Engineering Percent complete: 0% Major Activities: Request for proposals due May 31, 2006. Substantial date of completion: Summer 2008
Teer Quarry Water Storage	568,000	385,455	182,545	Preliminary engineering phase. Percent complete: Part 2 (50%) Major activities this period: Kick off meeting for the amendment activities. Draft Technical Memo submitted for review. Expected completion date: Fall 2006
Two-Inch Water Main Replacement	2,088,000	1,896,882	191,118	Project Phase: Planning Percent Complete: 50% Major Activities: Request for proposals for a number of projects to be due in June 2006. On-going program, construction not funded.
Ultra-Violet Treatment	100,000	87,861	12,139	Equipment repairs in progress - 88% complete. Expected completion date: June 2006
Water Lines Extensions and improvements	19,128,739	17,972,886	1,155,853	This ongoing program constructs water line extensions requested by petitions, relocates water lines resulting from NCDOT projects, reimburses developers for water improvements, and constructs lines to abate health hazards. The current water & sewer contract WS-79 was awarded 12/5/2005. Construction began on Feb.20, 2006. Construction will be complete in one year.
Water Main Rehabilitation	1,700,000	-	1,700,000	A request for proposal for engineering services for the program will be developed and issued in May 2006. The 2005 Bonds will help start this on-going program.
Water Supply Facility	450,000	105	449,895	The project is in the Planning Phase and is 95% complete. Activity this period: Selected consulting engineer, negotiated contract for services, grant application submitted. Substantial date of completion: (Unsure because of EPA funds freeze) Winter 2005.
Williams Water Treatment Plant Rehabilitation	15,785,500	15,778,051	7,449	Phase IV of this project is 100% complete and closed out. Phase 5 is not yet funded.
<i>Total Water Projects</i>	<b>69,855,153</b>	<b>47,978,719</b>	<b>21,876,434</b>	

# CAPITAL IMPROVEMENT PROJECTS

March 31, 2006 Quarterly Report

FY 2006 -- Third Quarter

Exhibit 4

PROJECTS	FINANCIAL SUMMARY			PROJECT STATUS
	Authorized Budget	Expenditures and Encumbrances	Available Balance	March 31, Status Report
<i>Wastewater:</i>				
Engine Replacement-South Durham WRF	\$ 700,000	\$ 529,339	\$ 170,661	First Engine 100% complete. Project increased by 400,000 for 2nd engine 6/21/04 - Contract in place. Awaiting delivery. Expected date of substantial completion - Fall 2006.
North Durham Water Reclamation Facility	2,174,973	2,169,465	5,508	(1) NDWRF B-improvements in engineering phase. (2) Digester Gas Project 97% complete (3) Aeration Basin Repair and Modification Project-construction contract approved Oct.3, 2005; Notice to Proceed issued in January 2007 (4) Landfill Gas Utilization Project- negotiating an agreement with project developer 25% complete.
SDWRF-Sludge Pad Cover	1,500,000	1,125,584	374,416	Project Phase: Construction Percent complete: 5% Major Activities: Contractor moved on site, began footings for structure. Expected date of substantial completion: Fall 2006.
Sewer Lines Extensions and Improvements	11,132,554	10,950,902	181,652	This ongoing program constructs sewer line extensions requested by petition, relocates sewer lines, reimburses developers for sewer improvements and constructs lines to abate health hazards. The current water & sewer contract WS-79 was awarded 12/5/2005. Contractor began work on February 20, 2006. Construction will be one year.
Sewer Pump Station Removal	1,177,393	924,585	252,808	Project Phase: Design Percent Complete: 95% Major Activities: Contract still pending, waiting for design to be completed. This is an on-going program.
Sewer Rehabilitation	22,610,593	18,274,799	4,335,794	This is an on-going program. New funding for Fy06 - \$2,237,000. Activity this period: Awarded Contract SR-29 Edith/Ninth Replacement and Contract SR-38 Broadmoor Pump Station Replacement; Contract Sr-30 East Durham Outfalls - phase I under construction.
<i>Total Wastewater Projects</i>	<b>39,295,513</b>	<b>33,974,674</b>	<b>5,320,839</b>	
<b>Total Water and Wastewater Projects</b>	<b>109,150,666</b>	<b>81,953,393</b>	<b>27,197,273</b>	
<i>Stormwater:</i>				
Private Property Drainage Priority 1	1,688,370	1,220,279	468,091	Project Phase: Construction Percent current phase complete: 50% Major Activity this period: Drainage improvements were constructed to address problems at 9 properties this reporting period. Expected completion Fall 2007.
Private Property Drainage Priority 2	550,000	-	550,000	no change in status
Watershed Planning & Design	687,000	-	687,000	Request for Proposal (RFP) for Ellerbe Creek Watershed Plan under development. RFP to advertise May 2006.
<i>Total Stormwater Projects</i>	<b>2,925,370</b>	<b>1,220,279</b>	<b>1,705,091</b>	
<b>Total Capital Improvement Projects</b>	<b>\$ 461,628,348</b>	<b>\$ 252,665,425</b>	<b>\$ 208,962,923</b>	

**City of Durham**  
**Grants Report for the 3rd Quarter**  
**FY 2006**

Grants	Revenues			Authorizations	Expenditures			Net Grant Activity	Drawdown Frequency
	Prior Years	Current Year	Total		Prior Years	Current Year	Total		
<b>Community Development</b>	\$ 20,308,366	1,997,628	\$ 22,305,994	\$ 25,660,084	\$ 20,860,730	1,560,413	22,421,144	\$ (115,150)	Quarterly
<b>Home Program</b>	11,981,356	1,135,957	13,117,313	18,674,957	12,200,959	1,510,614	13,711,573	(594,260)	Quarterly
<b>Employment and Training:</b>									
City Funded 03	196,045	-	196,045	196,045	198,026	5,056	203,083	(7,038)	Quarterly
City Funded 04	196,045	-	196,045	196,045	174,173	382	174,555	21,490	Quarterly
Private Contributions	10,000	-	10,000	10,000	8,576	1,425	10,000	-	Quarterly
WIA	3,782,844	1,052,029	4,834,874	6,583,977	3,816,414	1,590,874	5,407,288	(572,415)	Quarterly
Total Employment and Training	4,184,934	1,052,029	5,236,964	6,986,067	4,197,189	1,597,737	5,794,926	(557,962)	
<b>FEMA:</b>			-					-	
Winter storm 2000	360,142		360,142	584,065	360,142	-	360,142	-	TBD
Winter storm 2002	8,109,977	87,549	8,197,526	11,200,000	8,109,977	-	8,109,977	87,549	TBD
Firefighters	110,831		110,831	57,400	57,400	-	57,400	53,431	TBD
Hazard mitigation	1,710,265	-	1,710,265	1,810,051	1,698,924	-	1,698,924	11,341	TBD
Mobile Data	98,000	-	98,000	140,000	98,000	-	98,000	-	
Other	50,806	-	50,806	81,995	48,745	30,764	79,509	(28,704)	TBD
Total FEMA	10,440,020	87,549	10,527,569	13,873,511	10,373,188	30,764	10,403,952	123,617	
<b>Public safety:</b>									
City wide domestic violence	1,872,212	256,152	2,128,363	2,473,664	1,957,466	224,696	2,182,162	(53,799)	Quarterly
COPS Interoperability	-	1,234	1,234	3,998,320	-	-	-	1,234	
Controlled substance tax	458,543	81,663	540,206	705,926	259,992	94,133	354,125	186,081	Quarterly
Criminal Data Sharing	-	-	-	-	-	-	-	-	Quarterly
Federal asset forfeiture	495,249	169,148	664,396	970,000	192,643	194,791	387,433	276,963	Quarterly
Local law enforcement	194,402	357,481	551,884	477,066	203,204	108,711	311,915	239,968	Quarterly
MOU - various	36,398	17,493	53,891	142,893	34,574	19,112	53,686	205	Quarterly
Other	724,725	197,443	922,168	1,521,445	589,908	253,622	843,529	78,638	Quarterly
Total public safety	3,781,529	1,080,613	4,862,142	10,289,313	3,237,786	895,065	4,132,851	729,291	
<b>Other special revenue grants</b>									
EEOC case processing	175,650	-	175,650	184,250	137,441	11,832	149,273	26,377	Quarterly
Emergency Telephone	-	2,365,023	2,365,023	1,441,691	-	2,423,302	2,423,302	(58,279)	Quarterly
HUD disaster relief	200,881	-	200,881	342,902	342,902	-	342,902	(142,021)	Quarterly
HUD economic development	1,477,275	136,903	1,614,178	2,319,606	1,774,014	84,547	1,858,561	(244,382)	Quarterly
HUD fair housing	730,782	82,500	813,282	828,611	627,553	98,643	726,197	87,085	Quarterly
Lead based paint - federal	3,810,744	944,001	4,754,745	5,925,264	3,991,455	335,882	4,327,337	427,408	Quarterly
NECD Weed & Seed	979,477		979,477	1,326,125	1,040,780	127,098	1,167,879	(188,401)	Quarterly
Transportation planning	1,917,395	178,539	2,095,934	6,302,926	1,849,489	285,409	2,134,898	(38,964)	Quarterly
Cultural Master Plan	-	176,040	176,040	500,000	-	38,906	38,906	137,134	Quarterly
Downtown Business Asst	-	-	-	702,457	-	323,968	323,968	(323,968)	Quarterly
Durham afterschool	457,028	(29,815)	427,213	513,020	493,230	-	493,230	(66,018)	Quarterly
Other	839,559	(100,251)	739,308	806,680	328,601	60,738	389,339	349,969	Quarterly
Total other special revenue grants	10,588,791	3,752,940	14,341,731	21,193,532	10,585,465	3,790,326	14,375,792	(34,061)	
Total Grants	61,284,996	9,106,716	\$ 70,391,712	\$ 96,677,464	61,455,318	9,384,920	\$ 70,840,237	(448,525)	



## City of Durham, North Carolina

### Investment Portfolio

March 31, 2006

Portfolio meets the requirements of Section 159-30 of the North Carolina Investment Statutes

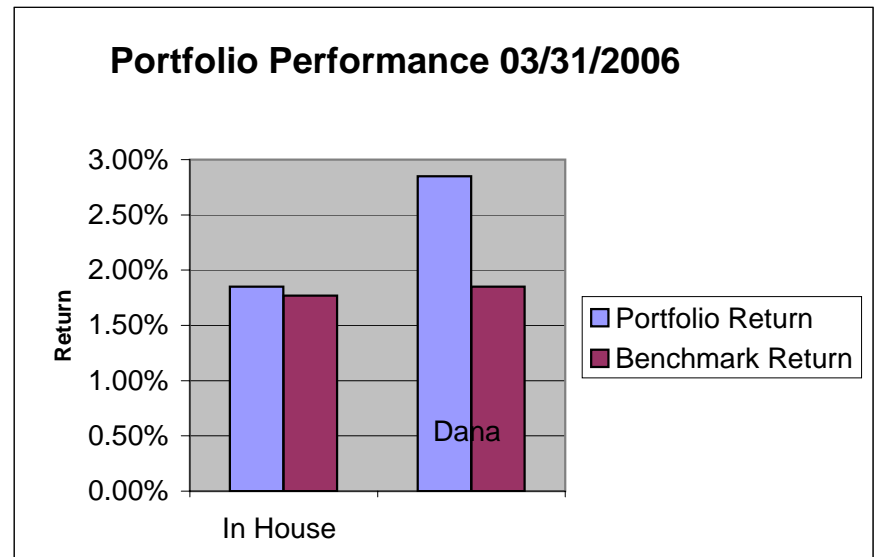
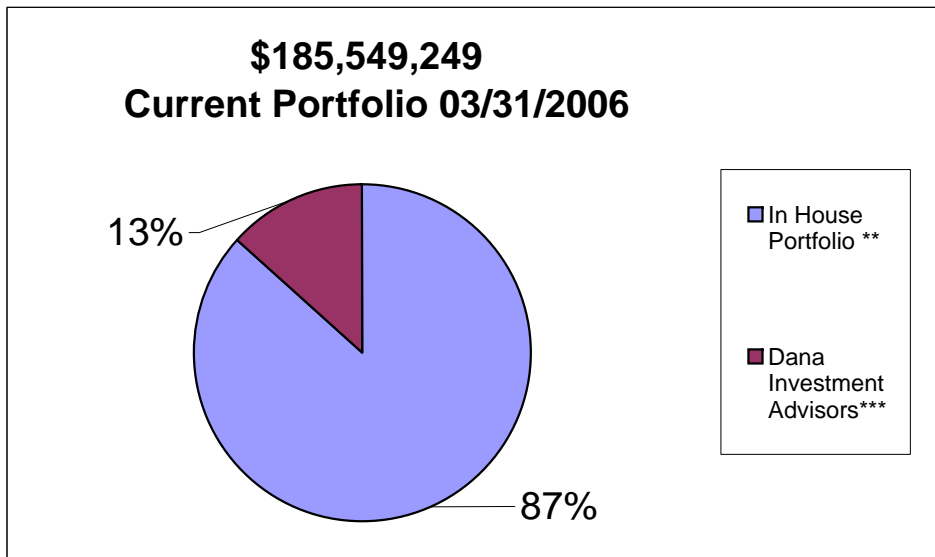
Primary investment principals are Safety, Liquidity and Yield

	<u>Market Value</u>	<u>Percent</u>	<u>Current Yield</u>	<u>Portfolio Return</u>	<u>BenchMark Return</u>	<u>Performance vs Benchmark</u>
In House Portfolio **	\$ 160,818,021	87%	4.15%	1.85%	1.77%	0.08%
Dana Investment Advisors***	\$ 24,731,228	13%	3.83%	2.85%	1.85%	1.00%
<b>Total:</b>	<b>\$ 185,549,249</b>		<b>4.11%</b>			

\* July 1st 2005 through March 31st, 2006

\*\* measured against the local government investment pool, the NC Capital Management Trust

\*\*\* measured against the Merrill Lynch 1 year Treasury Index



City of Durham, North Carolina

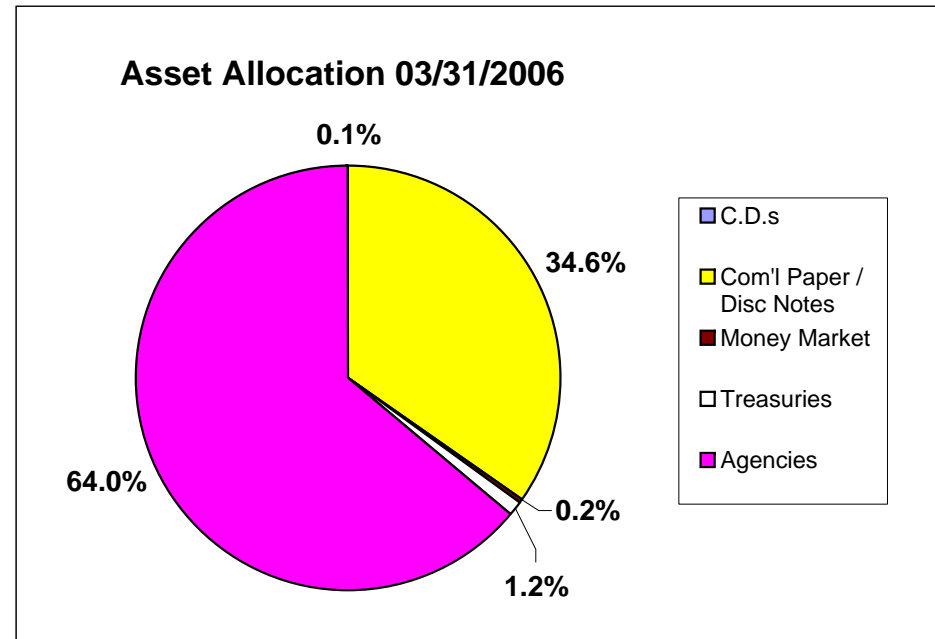
Investment Portfolio  
March 31st, 2006

Portfolio meets the requirements of Section 159-30 of the North Carolina Investment Statutes Primary investment principals are Safety, Liquidity and Yield

**Asset Allocation**

C.D.s	\$ 200,000	0.1%
Com'l Paper / Disc Notes	64,166,483	34.6%
Money Market	339,701	0.2%
Treasuries	2,178,404	1.2%
Agencies	<u>118,664,661</u>	64.0%

**Total:** \$ 185,549,249



Risk Fund Payments To Claimants Made During FY 2006 3rd Quarter				
In Accordance with Resolutions #8810 and #9200				
Claim Date	Claim Number	Claimant Last Name	Cause Code	Paid to Claimant
11/21/2000	GCGL BI2000008915	MCKOY	Street Conditions	\$ 9,000.00
8/4/2005	GCGL PD2005012246	VERIZON	Struck a stationary object	\$ 9,303.73
10/1/2005	GCGL PD2005012095	BOYNTON	Trees/limbs	\$ 1,600.00
1/8/2006	GCGL PD2006012261	DUKE POWER	Struck a stationary object	\$ 1,184.73
12/22/2005	GCGL PD2005012171	KANTZES	Street Conditions	\$ 262.18
<b>SUBTOTAL FOR GENERAL LIABILITY CLAIMS</b>				<b>\$ 21,350.64</b>
2/11/2003	VAAL BI2003011513	CLOUTIER	Rear end collision	\$ 3,659.05
2/11/2003	VAAL BI2003011691	CLOUTIER	Rear end collision	\$ 282.00
12/15/2004	VAAL BI2004011552	THORPE	Failure to yield right of way	\$ 11,554.56
12/15/2004	VAAL BI2004011805	BRADFORD-CROSS	Failure to yield right of way	\$ 2,371.61
9/12/2005	VAAL PD2005011980	JACKSON	Failure to yield right of way	\$ 1,500.00
9/12/2005	VAAL PD2005011981	TRUSTEES	Failure to yield right of way	\$ 8,945.00
9/14/2005	VAAL PD2005012212	RIVERA	Failure to yield right of way	\$ 1,000.00
11/9/2005	VAAL PD2005012131	JONES	Rear end collision	\$ 325.45
11/12/2005	VAAL BI2005012141	FOWLER	Rear end collision	\$ 1,529.00
11/18/2005	VAAL PD2005012115	SANCHEZ	Backing	\$ 2,125.00
12/30/2005	VAAL PD2005012247	PUTNAM	Failure to yield right of way	\$ 297.69
1/28/2006	VAAL PD2006012244	HOWARD	Rear end collision	\$ 349.44
2/2/2006	VAAL PD2006012224	MCGHEE	Backing	\$ 4,592.19
2/16/2006	VAAL PD2006012250	AKERS	Failure to yield right of way	\$ 2,095.27
<b>SUBTOTAL FOR AUTO LIABILITY CLAIMS</b>				<b>\$ 40,626.26</b>
<b>SUBTOTAL FOR CLAIMS PAID UNDER RESOLUTION #8810</b>				<b>\$ 262.18</b>
<b>SUBTOTAL FOR CLAIMS PAID UNDER RESOLUTION #9200</b>				<b>\$ 61,714.72</b>
<b>TOTAL ALL PAYMENTS TO CLAIMANTS MADE DURING FY 2006 3RD QUARTER</b>				<b>\$ 61,976.90</b>

Contract Quarterly Report Contract Types by Department  
FY06 July 1, 2005 to December 31, 2006

Exhibit 8

1st Quarter	Type of Contract				Purchase	Change Orders	Lease	Non-City Agency	Grant	Total
	Service	Const.	Inter-Gov't	Other						
Solid Waste	3		1		1					5
City Manager	3									3
Housing	10	19				28			2	59
Parks & Recreation	120		1		1	3			2	127
Public Works	5	1	6	23		1				36
Planning	1									1
Gen Ser	14	1			3	13	15			46
Water Mgmt	1	4	2		2	1				10
Finance	2									2
Budget								31		31
Inspections										0
Human Resources	4									4
Human Relations										0
OEED	15								1	16
Internal Audit										0
EOEA										0
Tech Solutions	9						2			11
Fire	3				1					4
DATA		1								1
Police	18								7	25
Emg Comm	2									2
<b>Total 1st Qtr</b>	<b>210</b>	<b>26</b>	<b>10</b>	<b>23</b>	<b>8</b>	<b>46</b>	<b>17</b>	<b>31</b>	<b>12</b>	<b>383</b>

2nd Quarter	Type of Contract				Purchase	Change Orders	Lease	Non-City Agency	Grant	Total
	Service	Const.	Inter-Gov't	Other						
Solid Waste	3									3
City Manager	5									5
Housing	14	18				9				41
Parks & Recreation	101	1				1			1	104
Public Works	4	1	2	19						26
Planning										0
Gen Ser	10	7				2	4			23
Water Mgmt	3	1			2	5				11
Finance	1									1
Budget	1							9		10
Inspections										0
Human Resources										0
Human Relations										0
OEED	10								3	13
Internal Audit	1									1
EOEA										0
Tech Solutions	5						2			7
Fire										0
DATA										0
Police	2		1						1	4
Emg Comm	2									2
<b>Total 2nd Qtr</b>	<b>162</b>	<b>28</b>	<b>3</b>	<b>19</b>	<b>2</b>	<b>17</b>	<b>6</b>	<b>9</b>	<b>5</b>	<b>251</b>

3rd Quarter	Type of Contract				Purchase	Change Orders	Lease	Non-City Agency	Grant	Total
	Service	Const.	Inter-Gov't	Other						
Solid Waste	1									1
City Manager	3									3
Housing	27	32	1			7				67
Parks & Recreation	92	1		1					1	95
Public Works	5	1	6	7						19
Planning			1							1
Gen Ser	14	6			1	1	14			36
Water Mgmt	3	4	1		2		1			11
Finance	5									5
Budget										
Inspections										
Human Resources	3									3
Human Relations	3									3
OEED	8								2	10
Internal Audit										
EOEA										
Tech Solutions	4		1							5
Fire	1				1					2
DATA										
Police	2		2						3	7
Emg Comm	1									1
<b>Total 3rd Qtr</b>	<b>172</b>	<b>44</b>	<b>12</b>	<b>8</b>	<b>4</b>	<b>8</b>	<b>15</b>		<b>6</b>	<b>269</b>

<b>Total YTD</b>	<b>544</b>	<b>98</b>	<b>25</b>	<b>50</b>	<b>14</b>	<b>71</b>	<b>38</b>	<b>40</b>	<b>23</b>	<b>903</b>
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## Contracts Approved by City Manager

### 3rd Quarter FY 2005-2006 (January 1, 2006 to March 31, 2006)

Contractor	Type	Description	Dept	Amount	CT#
HOPS International	Service	Management Academy Training	CMO	\$ 3,850.00	CT 076903
Vision & Destiny Group	Service	Management Training	CMO	2,100.00	Ct 076822
Vision & Destiny Group	Service	Council Retreat	CMO	5,150.00	CT 076838
Paul Parker Home Improvements	Const	Minor repair at 1027 Juniper St	DHCD	7,930.00	CT 076967
Tyler Technologies, Inc. Munis Div	Service	Contract Modification; Contract entry mod \$15,000	Finance	15,000.00	CT 076336
El Inc	Service	Equipment assessment	Fire/Finance	2,325.00	CT 076963
Brown Jurkowski Architectural collaborative	Service	plan rviews for the Performing Arts Center & Police Station	Gen Ser	4,800.00	CT 076900
Crown Castle South	Lease	Modification to equipment	Gen Ser	na	na
Derek O'Mary & Georgette Ray O'Mary	Lease	Lease for rental of City-owned house at 2621 Roberts Road	Gen Ser	0.00	na
Duke Occ. Mental Health	Service	Professional Coaching	Gen Ser	15,000.00	CT 076854
Fitzgerald & Asso	Service	Construction Analysis DATA Center	Gen Ser	27,500.00	CT 076868
Fitzgerald & Asso	Service	Construction Analysys Herndon Park	Gen Ser	17,350.00	CT 076869
Johnson Fence Company	Const	CO1 CT increase	Gen Ser	3,149.40	CT 076768
L A Downey	Const	Scale House Renovation	Gen Ser	63,250.00	CT 076842
Lionel Starks & Mary Starks	Lease	Lease for rental of City-owned house at 2146 Charles Street #49	Gen Ser	0.00	na
Liz Mills Ltd., Inc.	Service	Construction Mgr at Risk - Small Disadvantaged Business Enterprise Consultant	Gen Ser	15,000.00	CT 076941
Martin & Co	Service	Appraisal for Corcoran St Garage	Gen Ser	8,500.00	CT 076992
Motorola Inc	Service	CO 6 radio upgrade	Gen Ser	55,880.00	CT 075784
Parks Painting	Const	Building repairs DBAP	Gen Ser	47,385.00	CT 076972
Polytech	Service	Upgrade UPS at 911 center	Gen Ser	6,563.00	CT 076984
Queenekia Barrow & Calvin Edwards	Lease	Lease for rental of City-owned house at 410 Melbourne St	Gen Ser	0.00	na
RP Constructin Company	Const	change order	Gen Ser	2,893.00	ct 075302
S&ME, Inc.	Service	Material testing Fire station 16 On Call	Gen Ser	13,986.80	CT 076895
The Environmental Group of NC	Service	Env. Assessment of 526 Rigsbee & 213 Broadway	Gen Ser	8,000.00	CT 076978
The Housing Authrity of the City of Durham	Lease	One year lease agreement	Gen Ser	1.00	na
The Housing Authrity of the City of Durham	Lease	1 yr lease agreement for a Police Substation located at 519 Main St - Oldham Towers	Gen Ser	1.00	na

The Housing Authrity of the City of Durham	Lease	1 yr lease for Police Substation at 3404 Keystone Place - Oxford Manor	Gen Ser	1.00	na
The Housing Authrity of the City of Durham	Lease	1 yr lease for Police Substation located at 3-H Sima-McDougal Terrace complex	Gen Ser	1.00	na
The Housing Authrity of the City of Durham	Lease	1 yr lease for Police Substation at 33 11-C Mordecai-Damar Court	Gen Ser	1.00	na
Triangle Regional Public Transportation	Lease	304 W. Chapel Hill ST	Gen Ser	12.00	CT 076855
TROSA	Lease	Parking lot lease	Gen Ser	1.00	na
Trout & Riggs Construction	Const	Co 1 Fire #16	Gen Ser	1,736.00	CT 076810
URS Corporation	Service	inspection Morreene Rd Recreation Facility	Gen Ser	9,500.00	CT 076970
White Oak Const	Const	CO1 Long Meadow park	Gen Ser	5,650.00	CT 076864
White Oak Construction	Const	Long Meadow Park phase 1	Gen Ser	321,600.00	CT 076864
Allstar Builders	Const	109 W. Club blvd	Housing	46,653.00	CT 076835
Allstar Builders	Const	CO 3	Housing	3,955.00	CT 076376
Another Way Ministries	Service	Weed & Seed Program	Housing	8,960.00	CT 076840
Circa Inc	Service	Historic reviews	Housing	4,500.00	CT 076974
DL Forbes Youth Foundation	Service	Enrichment & Mentoring Program	Housing	8,080.00	CT 076872
Durham Affordable Housing	Service	CT amendment increasing funds	housing	16,500.00	CT 075960
Durham Community land Trustees, Inc.	Service	Contract Extension	Housing	0.00	CT 075962
EME Inc	Service	demolish 2218 Meyers St	Housing	4,389.00	CT 076964
Gibbs Grading	Service	co 1	Housing	1,000.00	CT 076057
Gibbs Grading	Const	co 3	housing	5,438.00	CT 076195
Gibbs Grading	Const	co 3	Housing	2,250.00	CT 076333
Gibbs Grading	Service	demolition 102 Young Ave	Housing	2,400.00	CT 076829
Gibbs Grading	Const	CO 1	Housing	350.00	CT 076873
Gibbs Grading	Service	Demolition	Housing	5,000.00	CT 076971
Gibbs Grading, Inc.	Service	Demolish 2709 Hillsborough, 118 Seminary, & 3421 Danube	Housing	8,600.00	CT 076873
Gibbs Grading, Inc.	Service	Demolish 1126 N Roxboro & 2209 Harvard Ave	Housing	5,800.00	CT 076915
Gibbs Grading, Inc.	Service	Demolish 1801 Angier Ave	Housing	2,800.00	CT 076917
Gibbs Grading, Inc.	Const	change order #1	Housing	750.00	CT 076829
Gibbs Grading, Inc.	Const	change order #1	Housing	4,000.00	CT 076605
Gibbs Grading, Inc.	Const	change order #3	Housing	350.00	CT 076057
Housing for New Hope	Const	Special Needs Housing	Housing	140,155.00	CT 076824
Jeffrey's Joel Tree Service	Service	Cut down & remove dead tree at 517 Holloway St	Housing	1,800.00	CT 076916
John Avery Boys & Girls Club	Service	Building assessment	Housing	10,000.00	CT 076969
JRO Const	Const	CO2 305 Driver	Housing	12,875.00	CT 076280
JRO const	Const	CO 1 1317 timothy	Housing	1,630.00	CT 076908
JRO Construction Co.	Const	Minor Repair at 1317 Timothy Ave.	Housing	4,600.00	CT 076908
L Roberts Repairs	Const	511 N Hyde Park	Housing	8,675.00	CT 076865
L Roberts Repairs	Const	CO 2 7514 Russell Rd	Housing	7,025.00	CT 076279
L Roberts Repairs	Const	Substantial Rehab @ 707 Belvin Ave	Housing	34,700.00	ct 076939

L Roberts Repairs	Const	2207 Taylor St	Housing	37,155.00	CT 076981
L Roberts Repairs	Const	1802 Pritchard	housing	4,060.00	CT 076987
L. Roberts Repairs & Builder	Const	change order #2	Housing	800.00	CT 076354
Neighboring concepts	Service	CT amendment increasing funds	Housing	10,000.00	CT 073321
Paul Parker Home Improvements	Const	CO 1 500 Bingham	Housing	4,185.00	CT 076378
Paul Parker Home Improvements	Const	1708 Fayetteville	Housing	9,215.00	CT 076833
Paul Parker Home Improvements	Const	2307 Jane Lane	Housing	35,395.00	CT 076834
Paul Parker Home Improvements	Const	Substantial Rehab for 2007 Aiken Drive	Housing	21,780.00	CT 076859
Paul Parker Home Improvements	Const	1806 Palmer	Housing	4,710.00	CT 076866
Paul Parker Home Improvements	Const	3608 Four Seasons	Housing	5,575.00	CT 076867
Paul Parker Home Improvements	Const	CO1	Housing	1,280.00	CT 076207
Paul Parker Home Improvements	Const	22 Joci Ct	Housing	17,765.00	CT 076942
Paul Parker Home Improvements	Const	618 Belvin Ave	Housing	5,780.00	CT 076982
Paul Parker Home Improvements	Const	Co 1 2007 Aiken Dr	Housing	2,178.00	CT 076859
Paul Parker Home Improvements	Const	3102 Bryant	housing	6,230.00	CT 076988
RGO Enterprises	Const	Minor Repair at 106 N. Briggs Ave	Housing	8,225.00	CT 076907
RGO Enterprises	Const	CO1 209 Dowd	Housing	3,084.00	CT 076565
RGO Enterprises	Const	Lead Hazard Remediation services at 810 Usher St	Housing	3,366.00	CT 076843
RGO Enterprises	Const	1317 Willowdale	Housing	34,857.00	CT 076897
RGO Enterprises	Const	616 Bacon St	Housing	24,830.00	CT 076898
RGO Enterprises	Const	change order #1	Housing	1,980.00	CT 076617
RGO Enterprises	Const	Change Order #1	Housing	495.00	CT 076843
RGO Enterprises	Const	CO! 103 S. Elm St	Housing	5,643.00	CT 076764
Rites of Passage	Service	Weed & Seed Program	Housing	6,000.00	CT 076839
rochelle Const	Const	CO2 1226 Lakeland	Housing	9,795.00	CT 076266
The PROUD Program	Service	Therapeutic Workshops for youth and families	Housing	6,900.00	CT 076923
Triangle East Chapter of 100 Black Men	Service	Dollars & Sense Investment Program	Housing	7,960.00	CT 076871
Women in Action	Service	to provide housing financial assistance to low-mod income clientele	Housing	17,000.00	CT 075868
Women in Action	Service	CT amendment extending expiration date to 3/31/06	Housing	0.00	CT 075868
John Avery Boys & Girls Club	Service	Parenting & Mentoring Program	Housing	2,900.00	CT 076940
Marriott at the Civic Center	Service	Employee Rec Dinner	HR	8,000.00	CT 076830
Nazeeh Magar	Service	Pre supervisory skills	HR	2,400.00	CT 076961
Millennium Hotel	Service	Latino Conference	Hu Rel	2,900.00	CT 076821
Millennium Hotel	Service	Human relation Gala	Hu Rel	5,822.29	CT 076836

Millennium Hotel	Service	Fair Housing Luncheon	Hu Rel	3,342.50	CT 076985
Milton Lewis & Associates	Service	Training	Hu Res	600.00	CT 076986
C&T Flooring	Service	Merchandise Base Improvement Base	OEED	5,595.00	CT 076993
Center for Regional Economic Comp	Service	DWDB retreat faciliation	OEED	4,500.00	CT 076962
Community Reinvestment	Grant	façade grant	OEED	1,900.00	CT 076861
Dollars & Cents Thrift Store	Grant	façade grant	OEED	1,900.00	CT 076862
Earthael	Service	Earth Day Festival	OEED	1,000.00	CT 076994
Rags to Riches Melody Peters	Service	Earth Day Festival	OEED	900.00	CT 076995
Sports & Properties Inc	Service	Maning Rights Service	OEED	0.00	na
TROSA	Service	Earth Day Festival	OEED	300.00	CT 076996
Allen Clayton	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076938
Allison Daniels	Service	Ballet	P&R	500.00	CT 076989
Allison Rasberry	Service	Durham Girls Soccer League Referee	P&R	1,355.00	CT 076858
Anthony Crutchfield	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076927
Anthony Pough	Service	baseball official	P&R	1,899.00	CT 076851
Anthony Robinson	Service	Softball Official	P&R	2,424.00	CT 076955
Anya Sippen	Service	Girls Soccer	P&R	1,355.00	CT 076892
Asia Nelson	Service	Durham Girls soccer League Referee	P&R	1,355.00	CT 076845
Austin Johnson	Service	Soccer Official - Adult	P&R	2,224.00	CT 076878
Ayman Omar Nabulsi	Service	Soccer Official - Adult	P&R	2,224.00	CT 076890
Barbara Bailey Sm ith	Service	Art Program	P&R	400.00	CT 076817
Barbara Bailey-Smith	Service	21st Century Grant Art Program	P&R	400.00	CT 076925
Barbara Smalley	Service	Durham Girls Soccer League Referee	P&R	1,355.00	CT 076856
Ben Weber	Service	Lifeguard	P&R	3,000.00	CT 076965
Bernard Greene	Service	Softball Official	P&R	2,424.00	CT 076954
Calin Pasca	Service	Durham Girls Soccer League Clinic Instructor	P&R	1,055.00	CT 076850
Casey Privalle	Service	Durham Girls Soccer League Referee	P&R	1,355.00	CT 076922
Chakila Merrick	Service	summer camp cheerleading	P&R	250.00	CT 076947
Charlotte Koren	Service	Senior Exercise	P&R	3,000.00	CT 076950
Christine Romano	Service	Durham Girls Soccer League Referee	P&R	1,355.00	CT 076920
Courtney Ancel	Service	Power Soccer	P&R	600.00	CT 076977
Craig Wolfe	Service	Soccer Official - Adult	P&R	2,224.00	CT 076876
David Everly	Service	Soccer Official - Adult	P&R	2,224.00	CT 076875
Demetrius Williams	Service	CT extension DJ Service	P&R	3,150.00	CT 075407
Deryl Boyd	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076937
Durham Arts Council	Service	21st Century Grant	P&R	600.00	CT 076828
Durham Arts Council CAPS	Service	Dining with History	P&R	918.00	CT 076975
Edwin Dennis	Service	Tennis In structor	P&R	2,055.00	CT 076820
Eva Morgan	Service	Summer camp yoga	P&R	750.00	CT 076946
Gaston Events	Service	Sound Technician for the Durham Earth Day Festival	P&R	400.00	CT 076968



George Rubenstein	Service	Adult Soccer	P&R	2,424.00	CT 076959
Grant Underhill	Service	Soccer Official - Adult	P&R	2,224.00	CT 076886
Isaiah Lincoln	Service	Soccer Official - Adult	P&R	2,224.00	CT 076889
Jacob Bouknight	Service	Square Dance	P&R	1,000.00	CT 076951
James A. Winston	Service	baseball official	P&R	1,899.00	CT 076849
Jason Lowe	Service	Baseball Official	P&R	50.00	CT 076958
Jason Peel	Service	Soccer Official - Adult	P&R	2,224.00	CT 076887
Jeffrey Norris	Service	baseball official	P&R	1,899.00	CT 076847
Jesse O Brown	Service	Softball Official	P&R	2,424.00	CT 076980
John Harrison	Service	Girl's Soccer	P&R	1,355.00	CT 076818
Jose Mendoza	Service	Soccer Official - Adult	P&R	2,224.00	CT 076877
Joseph Dave	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076934
Joseph Polcaro	Service	Soccer Official - Adult	P&R	2,224.00	CT 076879
KB Career Service	Service	Career Development	P&R	1,000.00	CT 076904
Keith Nesbit	Service	baseball official	P&R	1,899.00	CT 076848
Kendra Lennon	Service	Girls Soccer	P&R	1,355.00	CT 076957
Kevin Edwards	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076933
Kevin Harrison	Service	Girl's Soccer	P&R	1,355.00	CT 076819
Kevin Privalle	Service	Durham Girls Soccer League Referee	P&R	1,355.00	CT 076921
Larry Weaver Entertainment	Service	Summer Concerts	P&R	800.00	CT 076953
Leslie Haskins	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076930
Leslie Sparks	Service	Soccer Official - Adult	P&R	2,224.00	CT 076882
Louis Sasser	Service	Girls Soccer	P&R	1,355.00	CT 076825
Manfred Bowden	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076936
Mark Webb	Service	baseball official	P&R	1,899.00	CT 076912
Marney Boruchow	Service	Yoga Instructor	P&R	300.00	CT 076960
Mateusz Pucilowski	Service	Soccer Official - Adult	P&R	2,224.00	CT 076883
Matthew Hofheimer-Tweed	Service	Girls Soccer	P&R	1,355.00	CT 076893
Melissa roach	Service	Water Safety	P&R	1,000.00	CT 076901
Michael Chambers	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076929
Michael Chambers	Service	Baseball official Adult	P&R	1,099.00	CT 076943
Michael Chambers	Service	Baseball Official youth	P&R	1,299.00	CT 076944
Michael Hale	Service	sound technician	P&R	1,075.00	CT 076919
Michael Hargrave	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076935
Michael T Horne	Service	DJ for Teen Night	P&R	1,000.00	CT 076844
Olgiard Pucilowski	Service	Soccer Official - Adult	P&R	2,224.00	CT 076885
Paul Conroy	Service	baseball official	P&R	1,299.00	CT 076911
Paul Conroy	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076926
Phillip Long	Service	basic computer skills for mature adults & pre-school age youth. Conflict resolution classes	P&R	600.00	CT 076945
Quinton Williams	Service	baseball official	P&R	1,299.00	CT 076910
Quinton Williams	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076928
Rags to Riches	Service	CT Extension-Dramatics Class	P&R	1,190.00	CT 075999
Rags to Riches Melody Peters	Service	theatrical performance	P&R	950.00	CT 076976
Reed Johnson	Service	Tennis Instructor	P&R	1,755.00	CT 076956
Robert Long	Service	Girls Soccer	P&R	1,355.00	CT 076894
Robert Wynne	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076932
Roy Williams	Service	Softball Umpire - Adult	P&R	2,224.00	CT 076931

Rsaymond Alston	Service	baseball official	P&R	1,299.00	CT 076860
Sarah Harrison	Service	Girls Soccer	P&R	1,355.00	CT 076826
Senyonjo Mukungu	Service	Durham Girls Soccer League Referee	P&R	1,355.00	CT 076857
Steve Wray	Service	DJ Service	P&R	250.00	CT 076837
Steven Mukungu	Service	Soccer Official - Adult	P&R	2,224.00	CT 076888
Stuart Krall	Service	Soccer Official - Adult	P&R	2,224.00	CT 076874
Szymon Pucilowski	Service	Soccer Official - Adult	P&R	2,224.00	CT 076884
Time Warner Cable Commercial Services	Service	Internet Connectivity at Computer Labs	P&R	17,270.40	CT 076924
Timothy Jackson	Service	Soccer Official - Adult	P&R	2,224.00	CT 076880
Van Clark	Service	Softball Official	P&R	2,424.00	CT 076979
Wallace Cherry	Service	Golf Instructor CT Amendment	P&R	1,215.00	CT 076077
Wilbur Blake	Service	Soccer Official - Adult	P&R	2,224.00	CT 076881
William Britt	Service	baseball official	P&R	1,899.00	CT 076846
William Dorsey	Service	baseball official	P&R	1,299.00	CT 076909
Area Services & Programs, Inc.	Service	CT amend correcting dates	Police	0.00	CT 076290
S&ME, Inc.	Service	(ON-Call)Amendment Subsurface Investigation at Pedestrian Bridge Foundation- Forest Hills Park	PW	2,836.20	CT 076852
Wilbur Smith & Associates	Service	On Call Engineering Ser	PW	26,100.00	CT 076823
EI, Inc	Service	Assessments at Gen Ser	Risk	9,500.00	CT 076896
Safety & Health Consulting	Service	Protective Equip Assessment	Risk	5,000.00	CT 076841
Insight USA	Service	StreetEagle Tracking Service	Solid Waste	8,820.00	CT 076870
Time Warner Cable	Service	Internet connection to City Hall	TS	25,768.00	CT 076831
Verizon South	Service	OC3-ATM Service	TS	22,800.00	CT 076812
Castlebranch Inc	Service	Backgroud checks	Wtr Mgmt	1,500.00	Na
Crain & Denbo	Const	CO 2	Wtr Mgmt	168,439.14	CT 073044
NC League of Municipalities	Service	Update dept. pay &plan	Wtr Mgmt	30,000.00	CT 076949

<b>Total</b>	<b>\$ 1,821,103.73</b>
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CITY OF DURHAM  
NON-CITY AGENCY AWARDS  
FISCAL YEAR ENDING JUNE 30, 2006

Exhibit 9

File No	Non-City Agency Name	Current Award Amount	Documentation on File		Eligible for Funding Until
			Audit Report	Certification	
	<u>Greater than \$30,000</u>				
06-01	African American Dance Ensemble	30,000	06/30/05		12/31/06
06-02	American Dance Festival	66,500	09/30/05		03/31/07
06-03	Carolina Theatre	527,278	06/30/05		12/31/06
06-04	Downtown Durham, Inc	134,027	06/30/05		12/31/06
06-05	Durham Affordable Housing Coalition	73,340	06/30/05		12/31/06
06-06	Durham Arts Council, Inc.	564,021	06/30/05		12/31/06
06-07	Durham Striders	36,670	12/31/04		06/30/06
06-08	El Centro Hispano	30,000	06/30/05		12/31/06
06-09	Full Frame - Doc Arts, Inc.	46,202	06/30/05		12/31/06
06-10	St. Joseph's Historic Foundation	283,801	06/30/05		12/31/06
06-11	Triangle Urban League (New Horizon)	82,772			
	<u>Less than \$30,000</u>				
06-12	Achievement Academy of Durham	5,000		New	12/31/06
06-13	Alliance of AIDS Services - Carolina	5,000		New	12/31/06
06-14	American Red Cross	5,000		New	12/31/06
06-15	ARC of Durham	5,000		New	12/31/06
06-16	Ar-Razzaq Community Development Corporation	5,000		06/30/05	12/31/06
06-17	Big Brothers Big Sisters	23,940		12/31/05	06/30/07
06-18	Calvary Ministries of the Westend Community, Inc.	19,230	12/31/04		06/30/06
06-19	Center for Documentary Studies	9,000	06/30/05		12/31/06
06-20	Coordination Council for Senior Citizens	5,000		New	12/31/06
06-21	Durham Art Guild	5,000		06/30/05	12/31/06
06-22	Durham Central Park, Inc.	5,000		06/30/05	12/31/06
06-23	Durham Community Land Trustees, Inc.	5,000		New	12/31/06
06-24	Durham Community Penalties Program, Inc.	22,536		06/30/05	12/31/06
06-25	Durham Companions Mentoring Program	5,000		New	12/31/06
06-26	Durham County Literacy Council	14,250		06/30/05	12/31/06
06-27	Durham Crimestoppers	27,503		06/30/05	12/31/06
06-28	Durham Crisis Response Center	22,919	06/30/05		12/31/06
06-29	Durham Symphony, Inc.	20,000		06/30/05	12/31/06
06-30	Flamenco Carlota Santana Spanish Dance	3,500	06/30/05		12/31/06
06-31	GoodWork	27,284	12/31/04		06/30/06
06-32	Historic Preservation Society of Durham	28,419		06/30/05	12/31/06
06-33	Mallarme Chamber Players	9,000		06/30/05	12/31/06
06-34	Money Wise Durham Coalition	5,000		New	12/31/06
06-35	N.C. Occupational Safety & Health Project	9,947	07/31/05		01/31/07
06-36	P.R.O.U.D. Program	18,335	06/30/05		12/31/06
06-37	Partners for Youth	5,000		New	12/31/06
06-38	Project Graduation	9,000		12/31/04	06/30/06
06-39	Rites of Passage - DB & PC	5,000		06/30/05	12/31/06
06-40	Schoolhouse of Wonder	25,000		12/31/05	06/30/07
06-41	SEEDS DIG Program	6,000	12/31/04		06/30/06
06-42	TROSA	22,563		06/30/05	12/31/06
06-43	Volunteer Center of Greater Durham	9,168		06/30/05	12/31/06
06-44	Walltown Children's Theatre	19,000		12/31/04	06/30/06
06-45	Women in Action	5,000		New	12/31/06

"New" means the Agency did not receive a NCA grant in 2004/5 and their report will be due 12/31/06.

**Impact Fees  
Summary of Revenues and Expenditures**

		Fy2000	FY 2001 through FY 2005				FY2006				
		Accumulated	Impact Fees collected	Interest Income Earned	Funds Utilized for Projects/Refunds	FY2005 Ending Balance	Second Quarter	Funds obligated to CIP Projects	3/31/2006	Project	Projected
Zone		Fund Bal. as of 2000					Account Balance		Second Quarter Funds Available	Revenue to June 30'06	Funds Available June 30'06
Streets	Zone 1	8,416,853	2,124,122	558,677	11,149,917	(50,265)	1,005,057	1,280,191	(275,134)	-	(275,134)
	Zone 2	1,623,697	579,068	368,808	350,000	2,221,573	2,223,948	32,400	2,191,548	-	2,191,548
	Zone 3	3,866,427	957,268	733,954	2,121,335	3,436,314	3,675,690	772,595	2,903,095	-	2,903,095
	Zone 4	-	5,593,588	152,569	2,010,103	3,736,054	4,214,799	5,172,400	(957,601)	631,684	(325,917)
	Zone 5	-	2,810,320	100,945	-	2,911,265	3,641,528	2,500,000	1,141,528	317,365	1,458,893
	Zone 6	-	69,416	2,206	-	71,622	76,279	-	76,279	3,712	79,991
Parks and Recreation											
	Zone 1	2,501,823	1,647,987	406,308	3,370,276	1,185,842	1,418,873	1,593,814	(174,941)	123,671	(51,270)
	Zone 2	787,289	994,301	157,565	519,906	1,419,249	1,621,715	1,683,274	(61,559)	112,918	51,359
	Zone 3	728,621	644,235	84,287	1,049,470	407,673	513,719	681,501	(167,782)	53,559	(114,223)
Open Space											
	Zone 1	455,787	281,822	77,491	234,854	580,246	620,332	450,741	169,591	17,765	187,356
	Zone 2	150,364	181,102	39,686	324,014	47,138	87,170	132,000	(44,830)	11,107	(33,723)
	Zone 3	194,074	118,957	42,407	97,761	257,677	276,972	232,730	44,242	10,330	54,572

Funds obligated include Ordinance revisions through 12/08/05

# City of Durham, North Carolina

Exhibit 11

## Tax Levy Analysis

March 28, 2006

	2004		2005	
	Levy		Net Adjusted levy *	
	90,014,788		93,870,705	
Month	Current Levy		Current Levy	
	Collected	% of Levy	Collected	% of Levy
July	\$ 973,537	1.08%	\$ 1,424,837	1.52%
August	5,866,211	7.60%	5,544,696	7.42%
September	4,044,336	12.09%	4,196,789	11.90%
October	4,165,585	16.72%	4,665,926	16.87%
November	20,962,186	40.01%	21,030,815	39.27%
December	26,061,666	68.96%	31,342,548	72.66%
January	20,620,601	91.87%	17,776,926	91.60%
February	2,027,238	94.12%	2,661,154	94.43%
March	1,320,391	95.59%	1,504,008	96.03%
April	918,061	96.61%		
May	740,423	97.43%		
June	<u>565,844</u>	98.06%	<u></u>	
	\$ <u>88,266,078</u>		\$ <u>90,147,698</u>	
	Prior Years'		Prior Years'	
	Collections		Collections	
	2,004		2,005	
July	\$ 299,714		\$ 277,444	
August	269,537		275,892	
September	201,839		449,043	
October	90,474		151,566	
November	116,291		112,277	
December	88,535		88,268	
January	89,537		92,479	
February	97,159		128,962	
March	72,156		70,558	
April	51,195			
May	33,723			
June	<u>111,033</u>		<u></u>	
	<u>1,521,194</u>		<u>1,646,491</u>	
Total Collections				
through the period ended				
March 31, 2006	\$ 89,787,272		\$ 91,794,189	

\* Per Durham County report as of 3/31/2006 (Note: City of Durham budgeted net levy is \$91,534,079).

City of Durham  
Downtown Revitalization Project Recap  
March 31, 2006

	<i>FY01</i>	<i>FY02</i>	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>	<i>FY06</i>	<i>Cumulative Amount</i>	<i>Current Fund Budget</i>
<b><i>Downtown Revitalization</i></b>								
Revenues (less Parrish St)	\$ 783,365	\$ 1,045,394	\$ 1,350,566	\$ 1,224,081	\$ 1,478,511	\$ 1,851,318	\$ 7,733,236	\$ 5,592,191
Expenditures:								\$ 5,416,610
Downtown Theatre Feasibility	\$ -	\$ -	\$ 94,703	\$ 1,070	\$ -	\$ -	\$ 95,772	
Performing Arts Theatre CIP	\$ -	\$ -	\$ -	\$ -	\$ 248,000	\$ -	\$ 248,000	
American Tobacco	\$ 71,412	\$ 65,254	\$ 108,999	\$ (13,491)	\$ 863,071	\$ 675,087	\$ 1,770,330	
Renaissance Tower Project	\$ -	\$ 14,126	\$ -	\$ -	\$ -	\$ -	\$ 14,126	
Other	\$ 39,800	\$ -	\$ 25,522	\$ 65,177	\$ 17,524	\$ 4,100	\$ 152,123	
Expenditure Subtotal	\$ 111,212	\$ 79,380	\$ 229,223	\$ 52,755	\$ 1,128,595	\$ 679,187	\$ 2,280,352	\$ 5,416,610
<b><i>Parrish Street</i></b>								
Revenues	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 300,000	\$ -	\$ 1,100,000	
Expenditures	\$ -	\$ 118,774	\$ 868,508	\$ 55,444	\$ 25,236	\$ -	\$ 1,067,961	\$ 200,000
<b>Total Revenues</b>	983,365	1,245,394	1,550,566	1,424,081	1,778,511	1,851,318	8,833,236	5,592,191
<b>Total Expenditures</b>	111,212	198,154	1,097,731	108,199	1,153,831	679,187	3,348,313	5,616,610
<b>Total Encumbrances</b>	-	-	-	-	-	16,900	16,900	-
<b>Net Activity</b>	<b>872,153</b>	<b>1,047,241</b>	<b>452,835</b>	<b>1,315,882</b>	<b>624,680</b>	<b>1,155,232</b>	<b>5,468,023</b>	<b>(24,419)</b>

\* Note - Revenues for FY06 consist of Distributed Interest, General Fund Transfers, Appropriations from Fund Balance and North Parking Garage Revenues  
The transfers from the General Fund, Fund Balance should occur in the 2nd Qtr. Interest is distributed at year end.

**City of Durham  
Third Quarter Update  
FEMA Grants**

**December 2002 Ice Storm**

Costs for this federal disaster have been completed and a final close-out has been submitted to FEMA during the third quarter.

City of Durham, North Carolina  
**Planned Debt Issuance March 31, 2006**

**Balance of 1996 Authority**

After the September 2005 issuance of \$15,000,000 in G.O. debt the City of Durham had the following general obligation bond authority remaining:

Purpose	Original Amount	Issued to Date	Sept 05 Issue	Balance 9/05
Streets	\$35,245,000	\$24,077,000	\$6,300,000	\$4,786,000
Arts Center & Museum	5,550,000	5,500,000		
Parks & Rec Facilities	20,375,000	17,772,000	2,200,000	403,000
Public Transportation	5,165,000	3,450,000		1,715,000
Housing	20,000,000	8,714,000	6,500,000	4,868,000
<b>Total</b>	<b>\$86,285,000</b>	<b>\$59,513,000</b>	<b>\$15,000,000</b>	<b>\$11,772,000</b>

*Note: All but \$1.5million of the remaining balance is encumbered for projects currently in progress. The \$1.5 million that is unencumbered is part of the Multi-modal Project.*

The authority to issue debt under the 1996 Referendum expires in November of this year. We are currently planning to issue the remaining balance of the 1996 authority and a small portion of the 2005 authority in the September/October time frame.

**2005 Bond Referendum**

With the passage of the 2005 General Obligation Bond Referendum the total amount of authorized and unissued GO bonds is as follows:

Purpose	1996 Authority Remaining	2005 Authority	Total GO Bond Authority
Public Facilities		\$ 6,195,000	\$6,195,000
Cultural Facilities		11,005,000	11,005,000
Parks & Recreation	403,000	38,333,000	38,736,000
Public Improvement		7,113,000	7,113,000
Neighborhood Improvement		1,500,000	1,500,000
Street & Sidewalk	4,786,000	18,512,000	23,298,000
Water & Sewer		20,000,000	20,000,000
Parking		7,342,000	7,342,000
Public Transportation	1,715,000		1,715,000
Housing	4,868,000		4,868,000
<b>Total</b>	<b>\$11,772,000</b>	<b>\$110,000,000</b>	<b>\$121,772,000</b>

**Debt Issuance Schedule**

Planned debt issuance for FY2006-07 includes the following:

- General obligation bonds for the balance of the 1996 authority (\$11,000,000) and a portion of the 2005 authority (\$12,000,000).
- The downtown theater project will be partially financed by the issuance of approximately \$23 million in COPs.
- Debt funding of a portion of the vehicle replacement plan will occur in FY07.

We will provide additional information on the timing and amount of planned debt issuance as the bond funded projects progress and we bring debt issuance authorization items to Council.





City of Durham  
Audit Services Department  
101 City Hall Plaza  
Durham, NC 27701  
(919) 560-4213

**Audit Recommendations and Implementation Schedule**  
**FY 05-06 – 3rd Quarter Report**  
**Ending March 2006**

**Index**

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Accounts Payables/Wire Transfers	April 2003	Page 2
City Vehicles – Part 1	June 2003	Page 3
Sensitive Equipment	March 2004	Page 4
Police Property Room	December 2004	Page 5
Authorized Positions	April 2005	Page 7

	RECOMMENDATION	MANAGEMENT RESPONSE	IMPLEMENTATION DATE	FOLLOW-UP STATUS
	<b>Accounts Payables/Wire Transfers – Compliance Audit April 2003</b>			
1	<p>When new software is acquired as part of a comprehensive ERP project, the accounts payable module should incorporate system controls and efficiencies designed to manage the payables process and to ensure:</p> <ul style="list-style-type: none"><li>• all obligations are encumbered;</li><li>• key input fields are required to prevent duplicate payments;</li><li>• accounts payable aging data is provided; accounts payable research and analysis is facilitated.</li></ul>	<p>We are currently in the process of issuing an RFP for an ERP System that will replace the existing accounts payable system. The recommended control attributes will be included in our proposal evaluations. In addition, we will require vendors to demonstrate these attributes with the City’s data as part of the scripted demonstrations that are planned as part of the software evaluation process.</p>	<p>July 2005  Amended Date: January 2006 <b>July 2006</b></p>	<p>The City has contracted to purchase ERP software from MUNIS. The total contract, valued at nearly \$2.6 million, includes professional services and ongoing support, in addition to financial, revenue, human resource, and productivity software designed to help the City improve its daily business functions.</p> <p>Training of phase I financials began in January 2006.</p> <p><b>Pending implementation of ERP.</b></p>
2	<p>Examine compliance with the Local Budget and Fiscal Control Act in reference to encumbrance systems (NCGS Section 159-26). Particular attention should be paid to the appropriateness of current systems to ensure that City encumbrance systems guard against cumulative outstanding obligations exceeding budgetary authority. The increased development of e-commerce transactions with suppliers and vendors requiring wire transactions in and out of City accounts, instead of paper check transactions, will necessitate updated accounts payable and wire transaction systems. Current systems in use by the City are designed to control paper check payments only.</p>	<p>We agree with the assessment of our current system and its limitations with respect to complying with the encumbrance provisions of the Local Budget and Fiscal Control Act. In order to address this deficiency new accounting software or major system modifications are needed. Rather than spend the time and effort in making modifications to the existing system, which is scheduled for replacement, we are planning to include compliance with the encumbrance provisions of the Local Budget and Fiscal Control Act as a mandatory element for a new accounting systems.</p> <p>In the interim, we will continue to use manual processes to insure that cumulative outstanding obligations do not exceed budgetary authority.</p>	<p>July 2005  Amended Date: January 2006 <b>July 2006</b></p>	<p>The City has contracted to purchase ERP software from MUNIS. The total contract, valued at nearly \$2.6 million, includes professional services and ongoing support, in addition to financial, revenue, human resource, and productivity software designed to help the City improve its daily business functions.</p> <p>Training of phase I financials began in January 2006.</p> <p><b>Pending implementation of ERP.</b></p>

	RECOMMENDATION	MANAGEMENT RESPONSE	IMPLEMENTATION DATE	FOLLOW-UP STATUS
	<b>City Vehicles (Part 1) – Compliance Audit June 2003</b>			
1	Written procedures provide consistent instructions to staff, documentation of current practices, as well as an effective orientation/training tool for new employees. Because it would not be practical to develop one City vehicle policy that would be applicable to the diverse business of the City, we recommend that each department with City vehicles assigned to it develop written procedures regarding the assignment and usage of City vehicles appropriate for the size and complexity of the unit. These procedures should become part of the Department's standard operating procedures. The City's executive management should establish general guidelines related to initial acquisition, operational use, and ultimate disposal by sale or salvage of City vehicles. The policies and procedures should be consistent with these general guidelines.	The City Administration will develop written policies and procedures to provide general guidelines for initial acquisition and disposal of the City's fleet vehicles and heavy equipment. General guidelines will be provided to departments to assist in the development of written procedures regarding the assignment and usage of vehicles assigned to Department.	July 1, 2004  Amended Dates: January 2005 April 2006	The fleet consultant project is in process. Results of the study will assist management in optimizing the fleet and developing and implementing City wide policies and procedures concerning procurement, usage and disposal of City vehicles.  <b>Fleet management report presented to City Council on 1/19/06.</b>

	RECOMMENDATION	MANAGEMENT RESPONSE	IMPLEMENTATION DATE	FOLLOW-UP STATUS
	<b>Sensitive Equipment – Performance Audit March 2004</b>			
<b>1</b>	Since the City is currently involved in an ERP (Enterprise Resource Planning) Project, we recommend the City incorporate both a capital asset system (for financial accounting purposes) and a non-capita asset system (for accountability of sensitive equipment that does not meet the capitalization limits, but requires special tracking) in ERP system implementation. This will provide distinct advantages over the current Microsoft Access database system that is available for use by departments. By setting up the proper business rules, all equipment purchases meeting predetermined criteria will be automatically recorded in one of the two databases at the time of purchase. This will eliminate the need to capture and enter information after purchase by departments.	This recommendation will be incorporated in the City’s ERP implementation.	July 2005  Amended Date: January 2006 <b>July 2006</b>	The City has contracted to purchase ERP software from MUNIS. The total contract, valued at nearly \$2.6 million, includes professional services and ongoing support, in addition to financial, revenue, human resource, and productivity software designed to help the City improve its daily business functions.  Training of phase I financials began in January 2006.  <b>Pending implementation of ERP.</b>

	RECOMMENDATION	MANAGEMENT RESPONSE	IMPLEMENTATION DATE	FOLLOW-UP STATUS
<b>Police Property Room – Compliance Audit December 2004</b>				
1	<p>The property unit should devote the resources necessary to aggressively pursue a final disposition of property in its custody. While disposing of property is a time consuming task the unit will simply run out of space to store these items in the very near future at the current growth rates. Conversely, if the number of items continues to increase at its current rate the property unit should make plans for expanding their storage facilities.</p>	<p>The Property Unit is responsible for the safekeeping of property either seized or found and dispose of same through several means. Among the disposition means are:</p> <ul style="list-style-type: none"><li>➤ Auction</li><li>➤ Destruction</li><li>➤ Return to owner</li><li>➤ Conversion</li><li>➤ Transfer to NC Department of Revenue</li><li>➤ Transfer to Durham Public Schools</li></ul> <p>The Property Unit shall aggressively pursue the disposition of property in its custody by:</p> <ul style="list-style-type: none"><li>➤ Regular follow-up with the procedure currently in place with the District Attorney’s (DA) office. That procedure requires the DA’s office to forward a list of case dispositions to the Police Department when the cases have been adjudicated. The Property Unit supervisor will do regular follow-up to insure that this is being done. Have Durham police officers purged their property files in the Property Unit semi-annually. (January and July)</li><li>➤ Have District Investigators notify the Property Unit when the disposition of a case has been done.</li></ul>	<p>Start date July 1, 2005. Completion will be June 2006.</p> <p>The long term solution to develop a plan for a new Property Unit facility would start after July 1, 2006.</p>	

	RECOMMENDATION	MANAGEMENT RESPONSE	IMPLEMENTATION DATE	FOLLOW-UP STATUS
	<b>Police Property Room – Compliance Audit (Continued)</b>	<p>The plan to expand the storage facilities for the Property Unit has both short term and long term resolutions.</p> <p>The short term resolution is:</p> <ul style="list-style-type: none"><li>➤ Install space saver shelving in the storage area adjacent to the Property Unit formerly occupied by the Identification Unit.</li><li>➤ Utilize the warehouse located at 213 Broadway St. to store bulky and non-evidentiary items. The primary cost associated with this recommendation will be the cost of installing a 10 foot high fence, storage bins and racks for hanging bicycles.</li></ul> <p>The long term solution is:</p> <ul style="list-style-type: none"><li>➤ To develop a plan through the Planner for Fiscal Services for a new Property and Evidence facility.</li></ul>		
2	<p>A complete reconciliation of the property record cards should be performed. This will aid in the purging of items that are no longer required to be held, increase the reliance that can be placed on the computerized records and identify any differences between the property cards and the computerized records. This reconciliation could be performed in ‘steps’ as opposed to the entire file at one time. Certain time periods could be selected and all items originating in that period would be reconciled.</p>	<p>The complete reconciliation of the property cards would extend beyond one year to complete. Additionally, it would require additional resources to accomplish in light of the volume of property currently entering the Property Unit. The additional resources would be a budgetary item for the 2005-06 budget year. The resources would be two additional personnel and a laptop computer for the files.</p>	<p>Earliest start date would be December 2005.</p> <p>Amended Date: December 2006</p>	<p>As of December 2005 the Property/Evidence Unit has not started the reconciliation. The two additional personnel and the laptop were not approved in the 2005-2006 budget year. A position within the department was upgraded to Property Custodian [but has not been filled]. A request for funds through asset forfeiture has been initiated for the purchase of a laptop. The two additional personnel and laptop will be submitted again in the 2006-2007 budget year.</p>

	RECOMMENDATION	MANAGEMENT RESPONSE	IMPLEMENTATION DATE	FOLLOW-UP STATUS
	<b>Authorized Positions (May 2005) – Compliance Audit - April 2005</b>			
1	A unique position number should be assigned to each part time position. This will allow the City to better control and efficiently manage its part time workforce. We recommend that this change be incorporated into the new ERP system.	The Human Resources Department has discussed the need for a unique coding for full-time, part-time, temporary with benefits (grant), and seasonal positions in the ERP. As the ERP moves forward, Human Resources staff will ensure that a unique system is implemented.	July 2006	The City has contracted to purchase ERP software from MUNIS. The total contract, valued at nearly \$2.6 million, includes professional services and ongoing support, in addition to financial, revenue, human resource, and productivity software designed to help the City improve its daily business functions.  Training of phase I financials began in January 2006.

**CALVARY MINISTRIES OF THE WESTEND COMMUNITY, INC.****Monthly Fund Raising Report  
January – March 2006 Income Report****A. SPECIAL REVENUE FUND FOR COMMUNITY FAMILY LIFE AND  
RECREATION CENTER AT LYON PARK OPERATIONS**

<u>Contribution Category</u>	<u>January 2006</u>	<u>2002 March 2006</u>
Individuals	\$ 175.00	\$ 73,386.08
Foundations		
Corporations/Local		
State		
Federal		
Lease Income	\$6,619.71	\$211,809.74
<b>Total Deposited into Account</b>	<b>\$6,794.71</b>	<b>\$285,195.82</b>

**B. ADMINISTRATION, PROGRAMS AND OPERATIONS FOR CALVARY  
MINISTRIES OF THE WESTEND COMMUNITY, INC. (NOT INCLUDED  
IN SPECIAL REVENUE ACCOUNT)**

<u>Contribution Category</u>	<u>January 2006</u>	<u>2002 March 2006</u>
Individuals	\$ 8,160.02	\$ 46,800.16
Foundations	5,000.00	75,000.00
Corporations/Local	2,520.81	153,629.57
State		
Federal		
Lease Income		
<b>Total Revenue</b>	<b>\$ \$15,680.83</b>	<b>\$275,429.73</b>

<b>Grand Total Revenue</b>	<b>\$22,475.54</b>	<b>\$560,625.55</b>
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*Calvary Ministries, Inc. operates on a January – December calendar year  
This is a monthly report submitted to the Lyon Park Advisory Board*



## **CITY OF DURHAM, NORTH CAROLINA**

Donations

For Quarter Ending March 2006

Appearance Commission	2,850.00
Water into trees	106.72

**CITY OF DURHAM, NORTH CAROLINA****Quarterly Assessment Collection Report**

For the Quarter ended March 31, 2006

The purpose of this report is to provide the City Council with a status report on the City's efforts to collect delinquent assessment accounts. Assessment accounts are considered delinquent when no payment has been made 60 days after the scheduled payment date.

As of March 31, 2006, the City had 696 delinquent assessment accounts totaling \$396,131. These totals do not include accounts classified as doubtful accounts which are beyond the ten year statute of limitations for foreclosure action. For accounting purposes we adjust the receivable by doubtful accounts so that we do not overstate what we are likely to collect. Collections procedures on these accounts are still on-going. Because the assessment runs with the property, we can recover older assessments if properties change hands. The amount of the allowance for the 492 doubtful accounts is \$240,259.

During this quarter we began to use the foreclosure process as a final attempt to collect the more serious delinquent accounts. We mailed out 31 pre-foreclosure notices giving owner(s) 15 days to pay balance in full or we would refer account to attorney to initiate foreclosure proceedings.

Below is a summary of the collection activity in the 3<sup>rd</sup> quarter to collect delinquent assessment accounts. As shown below, the City has received 990 payments totaling \$329,217 for delinquent assessments through March 2006.

<b>Action</b>	<b>3rd Qtr</b>	<b>Y-T-D Total</b>
Number of letters mailed	419	1064
Number of calls made	174	453
Number of calls received	287	822
Number of walk-in customers	51	128
Number of payments received	335	990
Total amount of payments received	\$86,907	\$329,217
Number of payment plans authorized	0	2

**Assessment Account Summary**  
**City of Durham**  
*Period Ending March 31, 2006*

Confirmation Year	No. of Confirmations	Amount of Confirmations	Principle Billed To Date	Current Accounts		Delinquent Accounts	
				Number	Amount	Number	Amount
Prior 1995	12514	\$15,538,922	\$15,475,944	12022	\$15,303,320	492	\$240,259
1995	1346	\$1,743,546	\$1,718,912	1302	\$1,710,747	44	\$32,526
1996	959	\$2,054,494	\$2,046,240	929	\$2,019,715	30	\$34,587
1997	992	\$1,822,596	\$1,798,731	944	\$1,769,224	48	\$53,119
1998	480	\$588,177	\$581,957	448	\$568,837	32	\$19,148
1999	784	\$1,579,318	\$1,528,617	704	\$1,440,032	80	\$98,277
2000	834	\$1,416,814	\$1,302,056	747	\$1,274,097	87	\$50,439
2001	778	\$1,639,939	\$1,463,922	675	\$1,422,288	103	\$60,966
2002	542	\$923,870	\$755,273	419	\$714,350	123	\$42,080
2003	292	\$316,084	\$198,239	232	\$193,753	60	\$7,534
2004	193	\$322,003	\$209,929	162	\$205,709	31	\$4,178
2005	370	\$633,513	\$332,947	312	\$336,893	58	(\$737)
2006	82	\$153,182	\$36,779	82	\$42,765	0	(\$5,986)
<b>Grand Total</b>	<b>20,166</b>	<b>\$28,732,455</b>	<b>\$27,449,547</b>	<b>18,978</b>	<b>\$27,001,729</b>	<b>1188</b>	<b>\$636,390</b>
			<b>Allowance for Doubtful Accounts</b>			<b>(492)</b>	<b>(\$240,259)</b>
			<b>Net Delinquencies</b>			<b>696</b>	<b>\$396,131</b>